

**1. Financial Statements**

**1.1 Qualified Opinion**

The audit of the financial statements of the Peliyagoda Urban Council for the year ended 31 December 2024 comprising the Statement of Assets and Liabilities as at 31 December 2024, Statement of Comprehensive Income, Statement of changes in net assets/ equity, Cash Flow Statement for the year then ended and notes to the financial statements including material accounting policy information was carried out under my direction in pursuance of provisions in Article 154 (1) of the constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Sub-Section 181 (1) of the Urban Council Ordinance (Chapter 255) and Sub-Section 10 (1) of the National Audit Act, No 19 of 2018. My comments and observations which I consider should be report to parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Peliyagoda Urban Council as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards for Local Authorities.

**1.2 Basis for Qualified Opinion**

I expressed qualified opinion on the matters described in paragraph 1.6 of this report.

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

**1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards for Local Authorities, 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.

Those charged with governance are responsible for overseeing the Urban Council's financial reporting process.

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

**1.4 Audit Scope (Responsibility of the Auditor for the audit of 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 exercised professional judgment and maintain professional skepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluated 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.

The scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Urban Council, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Urban Council has complied with applicable written law, or other general or special directions issued by the governing body of the Urban Council
- Whether it has performed according to its powers, functions and duties; and
- Whether the resources of the Urban Council had been procured and economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## **1.5 Report on Other Legal Requirements**

The National Audit Act No. 19 of 2018 contains special provisions regarding the following requirements.

- (a) Financial Statements of the Urban Council as per the requirement mentioned in Section 6 (1) (d) (iii) of the National audit Act No. 19 of 2018 corresponded with the Financial Statements of the previous year.
- (b) In accordance with the requirement referred to in Section 6 (1) (d) (iv) of the National Audit Act No. 19 of 2018, recommendations made by me during the previous year are included in the submitted financial statements.

## **1.6. Audit Observations on the Preparation of Financial Statements**

### **1.6.1. Non-compliance with Sri Lanka Public Sector Accounting Standards for Local Government Institutions**

<b>Non-compliance with reference to the relevant standard</b>	<b>Comments of the Council</b>	<b>Recommendation</b>
(a) Although financial statements should be prepared on an accrual basis as per paragraph 2.5 of Chapter 2 of the Standard, the value of stamp duty received during the year under review for previous years amounting to Rs.66,219,485 had been accounted by considering the value as income for the year under review.	Income of the years, closest to the date of preparation of the stamp duty schedules, is calculated as income for the year under review.	Action should be taken as per the Standard.
(b) The amount of Rs. 712,070 received from the disposal of fixed assets under investment activities in the cash flow statement had not been adjusted in accordance with paragraph 3.29 of Chapter 3 of the Standard.	Action will be taken in the future to ensure that such errors will not occur in the ensuing accounting year.	Action should be taken as per the Standard.
(c) Although comparative information should be disclosed for all amounts presented in the period under review in the financial statements in accordance with paragraph 3.6 of Chapter 3 of the Standard, comparative information had not been disclosed in the cash flow statement.	Action will be taken to include comparative information in the cash flow statement in the ensuing accounting year.	Action should be taken as per the Standard.
(d) In accordance with paragraph 3.32 of Chapter 3 of the Standard, the difference in employee loans receivable amounting to Rs. 719,603 had not been adjusted in calculating the net cash flow from operating activities in the cash flow statement.	Action will be taken to ensure that such errors will not occur in the ensuing accounting year.	Action should be taken as per the Standard.
(e) Although the budgeted information in the budgets prepared by an entity should be presented in the financial statements for that period according to paragraph 3.7 of Chapter 3 of the Standard, it had not been presented in that manner in the statement of assets and liabilities and the cash flow statement.	Since changes occur in assets, liabilities, equity and cash flows, the budget information cannot be presented in a comparable manner with those statements.	Action should be taken as per the Standard.

### 1.6.2 Accounting Deficiencies

Audit Observation	Comments of the Council	Recommendation
Since recognition of transfers made by the Government for non-recurrent expenditure amounting to Rs. 682,215 in revenue, the surplus in the year under review had been overstated by that value.	Action should be taken in the future to prevent the occurrence of such errors.	Revenue should be recognized correctly.

### 1.6.3 Unreconciled Control Accounts or Records

Audit Observation	Comments of the Council	Recommendation
A discrepancy of Rs. 9,117,873 was observed between the balance as per the financial statement of 09 account balances included in the financial statements for the year under review and the balance as per the schedules.	Action will be taken to find out the discrepancies as soon as possible and correct the schedules and accounts.	Action should be taken to keep the schedules in an updated manner and prepare the financial statements accordingly.

### 1.6.4 Documentary Evidence Not Made Available for Audit

Audit Observation	Comments of the Council	Recommendation
The balances of 05 accounting items totalling to Rs. 7,951,510 according to the financial statements could not be verified satisfactorily due to non-submission of schedules, time analysis and journal vouchers to confirm the balances.	Action will be taken to submit all evidences with the final account in the ensuing financial year.	Necessary evidence should be submitted to substantiate the information included in the financial statements.

### 1.7 Non-Compliance with Laws, Rules, Regulations and Management Decisions

The instances of non-compliance with laws, rules, regulations and management decisions are mentioned below.

Reference to Laws, Rules and Regulations	Non compliance	Comments of the Council	Recommendation
(a) F.R. 571 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka	Deposits amounting to Rs. 10,096,418 over 02 years had not been settled.	Action will be taken to settle deposits over 02 years that have not been settled.	Action should be taken as per the Financial Regulation.

(b)	Paragraph 2.6.1 (a) (I) of the Government Procurement Guidelines	Although the members of the Technical Committee are collectively/individually responsible for recommending to the Procurement Committee and to make the Procurement Committee agreeing regarding the procurement time schedule for awarding the contract within the shortest possible time frame, action had not been taken accordingly in relation to 07 construction contracts with an estimated value of Rs. 52.9 million.	It is not possible to complete the procurement activities on the specific dates mentioned in the procurement time schedule.	Action should be taken as per the Procurement Guideline.
-----	--	---	---	--

## 2. Financial Review

### 2.1 Financial Results

According to the financial statements presented, excess of revenue over expenditure of the sabha for the year ended 31 December 2024 amounted to Rs.23,433,605 against the excess of expenditure over revenue amounted to Rs.38,021,625 in the preceding year.

### 2.2 Financial Control

Audit Observation	Comments of the Council	Recommendation
There was a discrepancy of Rs. 40,250 between the balance as per the cash book as at 31 December 2024 in relation to the current account of the Bank of Ceylon and the balance of the bank account. Petty cash amounting to Rs. 250, which has been prevailing since 1987 and fixed deposit interest amounting to Rs. 40,000 were included here and it had not been settled even for a period of 37 years.	There is no possibility of resolving this discrepancy.	Action should be taken to reconcile and settle it.

### 2.3 Revenue Administration

#### 2.3.1 Estimated Revenue, Revenue Billed, Revenue Collected and Arrears of Revenue

According to the information presented by the Secretary, estimated revenue, revenue billed, revenue collected and arrears relevant to the year under review and the previous year are shown below.

Revenue Source	Estimated Revenue	2024			Total Deficit as at 31 December	2023			Total Deficit as at 31 December
		Billed Revenue	Collected Revenue			Estimated Revenue	Billed Revenue	Collected Revenue	
		000'	000'	000'		000'	000'	000'	
Rates and Taxes	91,050	77,796	76,677	26,946	51,010	48,332	46,145	21,750	
Rent	7,894	3,333	5,145	458	5,685	2,197	4,415	2,265	
License Fees	3,785	2,010	3,702	40	3,700	2,010	4,051	63	
Other Revenue	41,825	—	79,517	—	24,746	—	39,466	—	
Total	144,554	83,139	165,041	27,444	85,141	52,539	94,077	24,078	

### 2.3.2 Performance in Revenue Collection

The observations regarding the performance in the collection of revenue of the council are mentioned below.

Audit Observation	Comments of the Council	Recommendation
It was observed that a sum of Rs. 3,701,253 from 875 units and a sum of Rs. 12,523,328 from 3,584 units between 1 year to 3 years, a sum of Rs. 3,083,081 from 465 units between 3 to 5 years, Rs. 4,038,476 from 458 units between 5 and 10 years, and a sum of Rs. 3,574,820 from 272 units over 10 years related to the current year should be collected within the revenue arrears of assessment taxes.	A sum of Rs. 26,920,958 was to be collected from 5654 units related to the year 2024 within the revenue arrears of assessment tax, a sum of Rs. 7,689,065, out of that, has been collected as at 20 May 2025.	Arrears of assessment taxes should be collected promptly.

## 3. Operational Review

### 3.1 Management Inefficiencies

	Audit Observation	Comments of the Council	Recommendation
(a)	As per a request dated 25 August 2024, the contract of tarring and developing the courtyard of the Sri Jayathilakarama Purana Maha Viharaya was awarded to a women's farmer organization at a contracted value of Rs. 290,342 to complete the work in one month on 30 September 2024 at an estimate of Rs. 315,000. Council funds amounting to Rs. 292,282 had been utilized for this project, which was completed on 07 October 2024 without obtaining the approval of the Governor of the Western Province.	The correct methodology will be followed in relation to such projects in the future by obtaining the approval of the Honourable Governor.	The approval of the Provincial Governor should be obtained.

- |     |   |  |   |
|-----|---|--|---|
| (b) | Registers related to the fixed assets had not been maintained in an updated manner. | Action will be taken to update them in the future. | They should be maintained in an updated manner. |
|-----|---|--|---|

### 3.2 Operational Inefficiencies

	Audit Observation	Comments of the Council	Recommendation
(a)	Development and Leasing out of the Shop No. 27/8 in the Public Market		
(i)	In inviting tenders for the shops, a Tender Committee and an Evaluation Committee should be appointed as per Rule No. 314 on Accounting Matters relating to the Financial Administration of the Urban Council and any member should not be a member of both the Evaluation Committee and the Tender Committee as per Rule No. 327, both the opening of tenders and evaluation were carried out by the same officers.	Since only one tender was submitted, it was not necessary to refer it to the evaluation committee. Therefore, opening of the tender and selection of the tenderer were carried out by the tender committee itself.	Action should be taken as per rules on accounting matters related to the financial administration of the Urban Council.
(ii)	Due to the failure in calling this tender, the amount of Rs. 575,177 spent by the Council for the modernization of the shop as a butcher shop had become an uneconomical expense for the Council.	The Valuation Department has decided to fix a monthly valuation rent of Rs. 5,000/- for the mixed use of the shop room and the Secretary has decided to grant a lease for a period of 03 years for the mixed use and action is being taken accordingly.	The modernization of the shops and the invitation of tenders should be carried out according to a formal plan.
(b)	The Council had published newspaper advertisements by incurring an expenditure of Rs. 204,884 for the year 2024 for tendering of 5 parking spaces and the public toilet at 4th pillar in Biyagama Road without carrying out any feasibility study, and the above expenditure had become an uneconomical expenditure of the Council due to the failure in implementing the tenders related to these properties. The following observations are made in this regard.	The amount paid by the lessee to the Urban Council for the year 2024 was Rs. 175,721 and the amount spent on publishing newspaper advertisements was Rs. 154,399.	Action should be taken as per a formal study and a plan when calling tenders.
(i)	Although the determination of bid values in relation to properties in terms of Rule No. 395 on accounting matters relating to the	Since it may take considerable time to obtain this valuation from the	Action should be taken as per rules on accounting

Financial Administration of the Urban Council should be based on a valuation report of a chartered valuer, the tender values for charging parking fees for vehicles had been determined by a valuation committee of the officers of the Council.	Valuation Department, the values of valuation were obtained through the Revenue Inspector of the Urban Council.	matters related to the financial administration of the Urban Council.
--	---	---

- |  |  |  |
|--|--|--|
| (ii) Although the Council had decided to tender the charging of parking fees for vehicles in the above 5 roads, the project had failed as a feasibility study had not been conducted as to whether it was possible to charge fees for that.  | It is expected to carry out a feasibility study in the future and these by-roads will be leased out again. | Action should be taken according to a formal study and a plan. |
| (iii) The tender had been awarded to the tenderer, who had submitted the highest price, and the lessees for five parking places were implementing the tender with effect from 15 February 2024 and charging fees for parking of vehicles on the relevant roads, they had not entered in to a written agreement with the Council. | Action has been taken to cancel the tender for leasing out the vehicle parking places on 01 July 2024.     | Action should be taken according to a formal study and a plan. |

### 3.3 Asset Management

Audit Observation	Comments of the Council	Recommendation
<b>(a) Underutilized Assets</b>		
I. It was revealed to the audit that various programmes had been held in the reading room of the building located in Parakrama Mawatha, and details, files or approvals obtained from the Council on those programmes held in that manner had been maintained.	Action will be taken to maintain a file in that regard in the future.	Files and registers should be maintained in a proper manner.
II. The Council had no any deeds in relation to this land, and it had only a tracing. Boundaries had not been demarcated to identify the portion of the land belonging to the Council.	Action will be taken to prepare deeds to identify the boundaries of the portion of the land belonging to the Council and to demarcate the boundaries according to the tracing.	Action should be taken to identify the property owned by the Council and to establish the ownership.



- |  |  |   |   |
|--|--|---|---|
| (b)  | <p>The Meegahawatta Reading Hall, with an area of 328.61 square feet, and the Daramaduwa Watta Reading Hall, with an area of 373.37 square feet, owned by the Council, remained underutilized. The boundaries of the land where the Meegahawatta Reading Hall was located could not be found, and it was observed during the physical inspection conducted by the audit that animals were also sheltered in the closed building.</p> | <p>Action will be taken to maintain such places effectively after the new Council is elected.</p>   | <p>Action should be taken to utilize the property effectively.</p>                                      |
| <p>(c)     <b>Annual Verification of Goods</b></p> |  |   |   |
|  | <p>There were 90 lands used by the Council in the Urban Council limits, and it was observed that there were no deeds for 74 of those lands and there were no plans for 28 lands.</p>   | <p>A fixed assets register has been prepared for the lands and documents have been submitted to the Divisional Secretary of Kelaniya to prepare the deeds of several properties owned by the Urban Council.</p> | <p>Action should be taken to identify and establish the ownership of property owned by the Council.</p> |
| (d)  | <p>According to the survey report, 25 books worth Rs. 8,315 had been taken away by former members since 01 January 2018, and those books had not been returned to the library even though number of years had passed since that date.</p>  | <p>Three (03) reminders have already been sent to the readers and the guarantors.</p>   | <p>The loss should be recovered from the readers or the guarantors.</p>                                 |
| (e)  | <p>According to the Library Book Survey Report for the year 2024 of the Akurupitiya Reading Room, it was observed that 53 books worth Rs. 20,054 and 03 books, of which the value had not been stated, were misplaced and action had not been taken in accordance with Financial Regulations, 103 and 104 regarding the loss of those books.</p>   | <p>Fourteen (14) books have been referred to the Library Advisory Committee and action will be taken accordingly in the future.</p>   | <p>Action should be taken in terms of the Financial Regulations.</p>                                    |
| (f)  | <p>It was observed that 09 books worth Rs. 1,855 had been misplaced according to the report of the library books survey for the year 2024 of the Muruganwatte Reading Room.</p>  | <p>Seven (07) books have been referred to the Library Advisory Committee and action will be taken accordingly in the future.</p>  | <p>Action should be taken in terms of the Financial Regulations.</p>                                    |

(g) **Assets Not Transferred**

The Toyota Hilux cab worth Rs.3,178,227 received from the Local Government Department on 19 January 2013 had not been transferred in the name of the Council.	Although we have informed the Commissioner of Local Government (LGC) and the Commissioner of Motor Traffic, we have not yet received the certificate of registration.
---	---

**3.4 Defects in contract Administration**

	<b>Audit Observation</b>	<b>Comments of the Council</b>	<b>Recommendation</b>
(a)	Although the Council had maintained 3 files for the project to construct a vehicle yard behind the Urban Council premises that had been carried out in 3 phases by the Council, the committee decisions for the construction, the procurement method, the method of selection, and copies of the decisions taken for that could not be discovered from the relevant files. The following observations are made in this regard.	The copies of the decisions related to the relevant project were included in the files.	The files should be updated.
I.	Procurement time schedules had not been prepared in accordance with 4.2.2 of the Government Procurement Guidelines 2006 by indicating the steps in the procurement process in relation to the said project.	A procurement time schedule has not been prepared.	Action should be taken in accordance with the Procurement Guidelines.
II.	The undated letter, provided by the Women Farmers Organization stating that the first phase of the project had been completed, was received on 26 January 2024. Bills had been examined without the certification of the Works Superintendent/Technical Officer and the Secretary of the Council that the work had been properly carried out in accordance with the work details and plans and regulations mentioned in the agreement, and a sum of Rs. 1,794,698 had been paid to the said community organization on 26 January 2024 without obtaining the recommendation of the Payment Committee.	Responsibility will be taken to prevent such omissions.	Action should be taken in accordance with the existing internal control system.

III.	Work of two items, out of the work estimated to be carried out in the first phase by the Council, had not been carried out as planned and those two items of work had been carried out in an alternative method. Therefore, a sum of Rs.174,578 had to be paid exceeding the estimated value.	The other items were used instead of the items expected to be used in the preparation of the estimate.	Estimates should be prepared in a way that minimizes variation.
IV	Additional work worth Rs. 555,055 had been carried out under the first phase, and since they could have been identified in advance by conducting on-site inspections and environmental analyses before the work was carried out, not estimating the work was observed as a weakness in the contract administration.	Efforts will be made to rectify shortcomings as much as possible in the future.	Estimates should be prepared in a way that minimizes variation.
V	Although the contract variation should not exceed 10 percent of the estimated provision in terms of 8.13.3 of the Government Procurement Guidelines, the payment for the additional work in the first phase indicated above was 29 percent.	Work has been completed without exceeding the estimated amount.	Plans should be prepared in a way that minimizes variation.
VI	In making payments for the second phase, two activities with an estimated total value of Rs. 195,192 had not been completed and three activities with a total value of Rs. 597,857 had been completed as additional and supplementary work.	Payments have been made according to the measurements taken during the implementation of the project.	Estimates should be prepared realistically.
VII	The Council had to pay a value of Rs. 402,655 as work had to be carried out outside the estimate owing to not preparing realistic estimates for a project.	Payments have been made according to the measurements taken during the implementation of the project.	Estimates should be prepared realistically.
(b)	A sum of Rs. 5,000,000 had been allocated under the Ministry of Local Government, Economic Promotion, Power and Energy, Environmental Affairs, Water Supply and Drainage and Tourism (Western Province) dated on 06 February 2023 under local government services for the project titled addition of a part to the Venerable Medhananda Thero pre-school building, and the construction of the building was to be completed by 15 August 2023. However, the signing of the agreement for the construction of the project that		

had been approved on 6 February 2023 was delayed by 5 months from 31 July 2023, the date of approval. The following matters are observed in this regard.

- |     |   |   |   |
|-----|---|---|---|
| I   | Thirteen (13) items, out of the project work items of the aforesaid projects, i.e. a sum of Rs. 813,122, had not been completed and 21 items of the completed work items, i.e. Rs. 373,886, were completed less than the estimated work. Accordingly, the value of the work not completed had been Rs. 1,187,008, i.e. 26 percent of the estimated value.   | Although some items were included in the estimate, it was decided not to complete these items due to reasons surfaced at the time of the project, and equivalent actions had to be taken for those items at that time.  | The estimates should be prepared realistically.   |
| II  | As the Council had not prepared the estimates correctly, the amount of 24 work items exceeded the estimated amount of work, and as a result, a sum of Rs.535,965 had been overpaid.   | The additional work to be done in relation to this project was carried out from the collection of the items whose prices were reduced when changing the work that could not be carried out in relation to the estimate. | The preparation of estimates should be carried out realistically.   |
| (c) | In the year 2021, the council had decided to construct a 04-storied building at No. 50, Old Kandy Road, Peliyagoda to be used as a parlour, and accordingly, estimates were prepared, and a consultancy firm was selected, and estimates were prepared. Then preliminary works were started and a payment of Rs. 28,026,307 was made. However, only a sum of Rs. 19,940,985 could be recovered from the contractor company due to the suspension of the project in the year 2022. Therefore, an amount of Rs. 8,085,322 had been lost to the Council. | A feasibility study has not been conducted for the construction of the parlour.   | A feasibility study should be conducted. Otherwise, action should be taken against the officers, who had approved the projects. |
| (d) | It was revealed to the audit that the contracts received by the community organization had been given to external parties that are not related to the organization and the contracts received for 05 organizations were given to the same external contractor. Accordingly, it was observed that the  | The Urban Council has submitted letters stating that the contract is only with the community-based organization and that no subcontracts  | Action should be taken as per the circular.   |

- time had been extended due to the inability to complete the projects of the Council within the stipulated time. will not be provided.
- (e) Although it had been indicated that the total contract value that can be awarded to a community-based society is Rs. 05 million as per paragraph 2.2 of the Public Finance Circular No. PED/PMD/Cir/2021/01 dated 29 September 2021, the Council had awarded contracts exceeding Rs. 05 million to a women's farmer organization in 06 occasions and to a senior citizen's association on 03 occasions on a direct basis. That no more than 03 projects have been contracted at the same time. Action should be taken as per the circular.

### 3.5 Human Resource Management

	<b>Audit Observation</b>	<b>Comments of the Council</b>	<b>Recommendation</b>
(a)	There were 31 vacancies in 18 approved posts as at 31 December 2024. Action had not been taken to fill these vacancies, which have been prevailing for many years.	Recruitment for primary posts has been temporarily suspended as per the circular.	Action should be taken to fill the vacancies.
(b)	Although it is required to transfer the staff once in every 5 years as per the Public Administration Circular No. 18/2001 dated 22 August 2001, 09 Management Service Officers had served in the Council for 6 to 11 years, and Family Health Service Officers had served for 6 years, and the Revenue Inspector had served for 09 years without being transferred.	As the successor of one of the two transferred officers had not come and on the exigencies of the service, he is currently engaged in the service of the Council.	Action should be taken as per the circular.
(c)	Thirteen (13) human resources training programmes were planned for the year 2024, and four programmes had not been implemented during the year. The value of the provision allocated for training was Rs. 1,105,200 and the value spent was Rs. 646,774.	Training on development projects and construction activities and training on citizenship charters will be conducted in the future.	Action should be taken to conduct the planned training programmes.

#### **4. Accountability and Good Governance**

##### **4.1 Budgetary Control**

<b>Audit Observation</b>	<b>Comments of the Council</b>	<b>Recommendation</b>
Provision allocated in 20 instances totalling to Rs.54,070,000 and provision transferred to other Objects had been saved. Accordingly, it was observed that the budget is not being used as a financial control tool.	It is stated that a realistic budget will be prepared in the ensuing financial years, taking these matters into account.	The budget should be used as a financial control tool.