

**Millaniya Pradeshiya Sabha  
Kaluthara District**  
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**1. Transactions Report**  
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The Auditor General's report on transactions, operations and performance had been the year ended 31 December 2019 and the detailed management report had been forwarded to the Chairman on 08 February 2021 and 18 February 2021 respectively.

**2. Non - compliance**  
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**Non – compliance with Laws, Rules, Regulations and Management Decisions**  
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<b>Reference to Laws, Rules, Regulations and Management Decisions</b> -----	<b>Value</b> ----- <b>Rs.</b>	<b>Non compliance</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
(a) <b>Pradeshiya Sabha Act No. 15 of 1987</b> Section 134(i)	-	Identification of new rates only had been made for immovable properties declared within the area, as developed areas.	Action should be taken according to the Pradeshiya Sabha Act.	A communities consisting of 2 revenue inspectors had been appointed to identify the zones for rates many areas had been identified.
(b) Financial Regulations 1646 of the Democratic Socialist Republic of Sri Lanka		Running charts of 09 vehicles used by the Sabha during 2019 had not been furnished to the Auditor General.	Should act according to the Financial Regulation.	Action will be taken to furnish running charts before 31.03.2021

**3. Revenue Administration**  
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**3.1 Stamp fees**  
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<b>Audit observation</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
Stamp fees receivable from the Chief Secretary, Provincial Council and other authorities as at 31 December 2019 amounted to Rs. 1,178,000.	Should be recovered promptly.	All stamp fees requested are not received by the Sabha. What is received will be credited to the funds of the Sabha.

**4. Operating Review**  
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**4.1 Performance**  
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The following matters were revealed with regard to duties to be fulfilled by the Sabha in terms of Section 3 of the Pradeshiya Sabha Act such as regularization and control of matters relating to public health, common amenities and public highways, healthy environment of the public, facilities, welfare etc.,

**(a) Action Plan**  
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<b>Audit Observation</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
(i) The cost of constructions and the period relating to constructions had not been identified in the Action Plan prepared by the Sabha for 2019 in terms of section 3(b) of the Public Finance Circular No. 01/2014 of 14 February 2014.	Action plan should be prepared according to the circular.	Correct action will be taken in future.
(ii) Projects executed Overriding the Action plan ----- Seventeen projects had been identified to be executed in the Action plan in 2019 by using external provisions. But, none had been executed. 20 projects costing Rs. 12,360,000 had been executed using external provisions.	Projects of the Action plan should be identified and executed.	In future, action will be taken according to the plan, if there are revisions.

Although projects should be identified in the action plan for the year under review for executing them under the funds of the Sabha and provision made accordingly in the budget, 07 projects costing Rs. 1,311,807 had been executed without such identifications and provisions.

Projects of the Action plan should be identified and cost identified in the budget.

No comments.

(iii) Progress of the Action plan  
Responsibilities and supervision had been entrusted to execute 96 projects under 05 projects during the year under review. However, the Sabha had not adopted measures to measure the progress.

Measures to supervise progress should be included in the Action plan

Action will be taken to rectify the Action plan.

**(b) Solid waste material management**

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>(i) Although 07 activities had been included under the Health Services Programme in the Action plan for waste management, the estimated expenditure for lose activities had not been identified and included in the actual budget.</p>	<p>The activities identified in the waste management plan should be included in the annual budgeted estimates.</p>	<p>Will be rectified in future.</p>
<p>(ii) Although officers had been appointed for supervision and responsibilities for 07 activities of 04 objectives for regularizing waste management, the progress of those activities had not been measured and follow up action taken accordingly.</p>	<p>The progress of the waste management plan should be measured and follow up action taken.</p>	<p>No comments.</p>

**(c) Sustainable Development**

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>(i) Eight projects had been planned under the sustainable development</p>	<p>Sustainable development projects</p>	<p>Action will be taken to rectify in future.</p>

programme. However, action had not been taken to obtain feasibility report, to include in the budget and to implement it.

should be identified, approval obtained, included in the budget and implemented.

(ii) A provision of Rs. 100,000 had been made for 2 child and maternity and drinking water programmes. These had not been executed during the year under review. Further, it had been planned to execute 09 activities for 06 remaining projects with a provision of Rs. 460,000. However, there was failure in achieving their progress as per targeted index.

Identified sustainable development projects should be executed and their progress measured.

Will be rectified.

#### 4.2 Human Resources Management

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) A lady officer had been appointed to act in the post of Secretary of the Sabha which had follow vacant on 25 June 2019.	Action should be taken to fill the vacancy in the post of Secretary.	The appointing authority is the Provincial Public Service Commission should be assigned by the Secretary, Local Government .
(b) There were vacancies in the post of Public Health Inspector, one post of driver, one post of KKS, 3 posts of field labourers and a sanitary labourer and there was on excess in the post of Management Assistant.	Action should be taken to fill essential posts.	Action is being taken to fill vacancies. Will be rectified in future .

#### 4.3 Management inefficiencies

##### (a) Un settlement of Assets and liabilities

Audit Observation	Recommendation	Comments of the Accounting Officer
Millariya Pradeshia Sabha had been newly formed after 20	Assets, liabilities, revenue and expenditure	Officers of local authorities had been instructed

March 2018. Assets, liabilities, revenue and expenditure had not been properly distributed to it by the Bandaragama Pradeshiya Sabha up to 20 December 2020. As such, confirmations regarding maintenance of register of fixed assets of the Millaniya Pradeshiya Sabha, inclusion of land and buildings of the Sabha in the books, their safety and other assets and liabilities could not be obtained.

should be properly distributed and entered.

regarding distribution of assets.

**(b) Vehicle utilization**

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**Audit Observation**

**Recommendation**

**Comments of the Accounting Officer**  
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Three out of 09 vehicles used by the Sabha had been registered under the name of Bandaragama Pradeshiya Sabha one . One vehicle had been registered under the name of the office of the chief secretary.

The Sabha should take action to register vehicles in its name.

Action is being taken to acquire vehicles.

**(c) Issue of environmental Licences**

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**Audit Observation**

**Recommendation**

**Comments of the Accounting Officer**  
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(i) The Sabha had not properly issued environmental licences. Action had not been taken to correctly examine and identify industries which need environmental licences or to make analysis.

Action should be taken to identify industries which need environmental licences by correct examination.

Informed in writing to obtain environmental licences.

(ii) Only one environmental committee meeting had been held in 2019. As such, the increase of environmental licences was at a weak level.

Issue of environmental licences should be regularized.

Problems will be identified in 2021 and action taken accordingly.

**(d) Establishment of Praja mandala**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(i) It is the prime responsibility of all local authorities to establish praja mandala, maintain them and to assist them in always. praja mandala had only been established in 21 out of 44 Grama niladhari division of Millariya Pradeshiya Sabha.	Establishment of Proja mandala should be regularized.	There was delay in establishing proja mandalas due to COVID. Action has now been taken to establish them.
(ii) The entire responsibility of the Project mandala established lies with the local authority. The Chief of the local authority had not appointed an interim committee consisting of Praja Development officer, 3 members and 4 working members of a registered Praja mandala.	An interim committee should be appointed for activities of the Praja mandala.	Praja development officers are not aware of this. This is not mentioned in the bye-law of the Praja Mandala too.
(ii) Although quarterly reports should be sent to the local authority by the praja mandala, none of the Praja Mandalas had furnished reports.	Quarterly reports of Proja mandala should be sent to the local authority.	Although quarterly reports could not be sent due to COVID the Praja mandala established are functioning.

**4.4 Operating Inefficiencies**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(a) Non identification of Road of the Sabha		
According to Section 21 of the Pradeshiya Sabha Act No. 15 of 1987, the overall Grama seva division wise roads (Road, concrete, will small stones) of the Sabha should be identified. However, action had not been taken to identify roads of 14 out of 44 grama seva divisions of the Pradeshiya Sabha.	Roads of the Sabha should be identified according to the Grama seva divisions.	Delayed due to Corona However, survey will be completed by 28.02.2021.

(b) Surveying and gazetting of roads  
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According to the method of gazetting roads, roads should be identified as private roads and public roads and the public roads confirmed should be surveyed according to the survey plan. However, during the year under review roads of the Sabha had not been properly surveyed or gazetted.

Public roads should be confirmed, surveyed and gazetted.

Action will be taken to complete during the ensuing years, as the financial provision as not adequate.

(c) Registering of Roads  
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The roads of the Sabha should be identified, inventoried and updated according to section 21(1)(2) of the Pradeshiya Sabha Act. However, the sabha had not prepared an inventory register and entered 8 roads, costing Rs. 5,200,000 constructed during the year under review and updated the inventory register.

Roads should be identified, inventoried and updated

Road will be surged and inventoried in future.

#### 4.5 Procurement -----

##### Audit Observation -----

##### Recommendation -----

##### Comments of the Accounting Officer -----

(a) Annual Procurement Plan  
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An annual procurement plan had not been prepared for the year under review in terms of Section 4.2.1 of the National Procurement Guidelines. Inventory items and industrial materials costing Rs. 2,168,595 had been purchased during the year.

Purchased will be made according the procurement plan prepared.

Procurement plan had been prepared since 2020.

(b) Purchase of 02 Generators for Crematoriums  
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(i) According to Action 6.3.3 of the National Procurement guideline,

Correct information of evaluation of tenders

Inadvertently avoided to furnish information by the

<p>tenders should be opened before the tenderers by the committee opening the tenders and a report should be furnished to the Technical Evaluation Committee. However, correct information had not been furnished to the Technical Evaluation Committee regarding item No. 17 referred to by the Technical Evaluation Committee specifications (Selected Tenderer)</p>	<p>should be furnished for technical evaluation.</p>	<p>office;</p>
<p>(ii) Although the officer in charge of the crematorium had informed that the generator had become cooperative since 08 May 2020, repairs had not been done.</p>	<p>Should be repaired without delay.</p>	<p>The supplier had been informed of the repairs.</p>
<p>(c) Purchase of street lamp equipment -----</p>		
<p>(i) Two hundred and lighting set of street lamps and 280 sets of special lamps had been purchased in 2019 for Rs. 724,000. Specifications had not been prepared and quotations called for in this connection in terms of section 5.6 of the National Procurement guidelines.</p>	<p>Specifications should be prepared and quotations called for with regard to purchase of sets of street lamps.</p>	<p>This is a newly formed Sabha. As such, officers are new this situation will be rectified in 2020.</p>
<p>(ii) Questions had been called for the purchase of 25 sets of special sets of street lamps in May 2019 on 02 instances. Purchases had been made on the basis of quotation received from an individual supplier. As such, the price of same type of lamps purchased by other Sabha was this. The loss caused for 25 sets at the rate of Rs. 3,000 each amounted to Rs. 90,000.</p>	<p>Completive quotations should be called for to select the lowest price.</p>	<p>Action will be taken to purchase according to procurement procedeedes.</p>