

Head 261 – Galle District Secretariat

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Galle District Secretariat for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summary report containing my comments and observations on the financial statements of the Galle District Secretariat was issued to the Accounting Officer on 19 May 2021 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the District Secretariat was issued to the Accounting Officer on 18 May 2021 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Galle District Secretariat as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is 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 Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the District Secretariat and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

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

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Secretariat's internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) and Section 38 of the National Audit Act, No. 19 of 2018.

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

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Position

Capital Expenditures

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) According to the Statement of non-financial assets, there was a difference of Rs. 303.67 million in 03 subjects of fixed assets between the closing balance of the previous year and opening balance of the year.	These changes were made due to the fact that the opening balances for the year 2019 were recorded as the opening balances for the year 2020, when the balances of the year 2020 were brought forward.	The final account balance of the previous year should be taken as the opening balance of the year under review.
(b) Difference of acquisitions and misappropriations during the year were Rs. 308.15 million and Rs. 41,062 respectively in 03 subjects as per the Treasury computer printed trial balance and the statement of non- financial assets included in the Financial Statements for the year under review.	These changes were due to the fact that the 2019 opening balances were recorded as the 2020 opening balances.	All acquisitions and misappropriation of assets should be entered into the financial statements in accurately and compared with Treasury computer printout.

- | | | |
|--|--|--|
| <p>(c) According to the statement of non-financial assets of the year under review, there was a difference of Rs. 302.87 million due to that the total purchases were Rs. 657.31 million but, the total of representing 03 expenditure subjects is Rs. 354.44 million.</p> | <p>This difference was due to the inclusion of Rs. 3,123,877 in the opening balance required for purchases and addition of year 2019 purchases to year 2020 purchases.</p> | <p>The account balances included in the financial statements should be equal to the account balances in the schedules.</p> |
| <p>(d) Although part of the Gabion Retaining Wall, which was constructed in the year 2019 at a cost of Rs. 3,255,303 had collapsed, action had not been taken to assess the damage.</p> | <p>The report has been received now and I will take further action accordingly.</p> | <p>Dealing with damages and losses in accordance with Financial Regulations and adjusting accounts.</p> |

1.6.2 Advance Accounts Balances

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>According to the credit balances (CC 10) of the credit documents of 07 Divisional Secretariats, there were inconsistencies between the loan balances amounting to Rs. 1,732,296.</p>	<p>I will take action to rectify the deficiencies that have occurred in the Baddegama and Benthota Divisional Secretariats.</p>	<p>Should be take action to prepare accounts to be compare with the relevant documents</p>

1.6.3 Imprest Balance

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The Karandeniya Divisional Secretariat's outstanding imprest balance of Rs. 194,086 in 2006 due to fraud has been mentioned in the financial statements for more than 14 years but, no action has been taken to settle it in the year under review.</p>	<p>Legal action has been taken in this regard.</p>	<p>Action should be taken to settle the unsettled arrears expeditiously.</p>

2. Financial Review

2.1 Imprest Management

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
The imprest was received 39 to 79 percent lower than the maximum value applied for 07 months of the year under review and 108 to 156 percent higher for the 05 months. Overall, the maximum number of applications received during the year under review was 88 percent less than the total number of applications received.	In some cases, the imprest will be granted considering the past months requests and in such cases, the treasury receives cash in excess of the maximum amount that we request. Therefore, it has been a difference of large percentage between imprest receiving less than the monthly imprest premium and receiving more than the monthly imprest premium.	Plans should be prepared considering the cash received from the treasury.

2.2 Revenue Management

The following observations are made.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) The revenue added percentage from the percentage of collected revenue under the two revenue indicators was as low as 16 percent to 64 percent.	Due to the corona epidemic in 2020, received revenue was lower than estimated revenue	Action should be taken to collect the estimated revenue.
(b) Revenue was decreased from 9 percent to 90 percent in the year under review when compared with the 8 revenue subjects in the previous year.	-Do-	-Do-

2.3 Issuance and Settlement of Advances

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The total outstanding debt from 17 retired officers of 10 Divisional Secretariats was Rs. 758,762 and out of that, a loan balance of Rs. 101,628 had to be recovered from the period of 07 years.	A debt balance of Rs. 755,144 has been collected as at 30 April 2021 and the balance of Rs. 705,462 is yet to be received.	Implementing action to recover the outstanding loan balances.
(b) Rs. 108,248 due from three suspended officers of 02 Divisional Secretariats has not been recovered for 02 to 04 years.	A debt balance of Rs. 108,248 is yet to be recovered.	Appropriate action should be taken expeditiously with regard to the loan balances due from the suspended officers.
(c) A loan balance due from a Development Officer of the Nagoda Divisional Secretariat was Rs. 136,665 and that loan balance had not been recovered for 4 years.	I will take action to recover the loan balance and interest on a monthly basis in future.	Immediate action should be taken to recover the loan balance due from the relevant officer.

2.4 Approaching Liabilities and Obligations

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The amount of total liabilities paid by the District Secretariats and the Divisional Secretariats in January 2021 for the year 2020 was Rs. 263,148 were not mentioned in the Statement of liabilities and obligations in the financial statement.	I will include all liabilities in the CIGAS computer programme and financial statements in next year.	Action should be taken to include all transactions that can be identified as liabilities and obligations to that statement.

(b) Approaching liabilities in excess of the provisions was Rs. 1,783,485 due to total payment of Rs. 1,805,459 was made in January 2021 for the bills of 2020 in relation with construction of two Divisional Secretariat buildings. Not included as liabilities due to lack of provisions to make payments. Action should be taken to include all transactions that can be identified as liabilities and obligations to that statement.

2.5 Utilization of Provisions made available by other Ministries and Departments

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs. 2,201,203 had not been utilized from the provisions given by the State Ministry of Samurdhi, Home Economics, Micro Finance Self-employment and Business Development under the National Home Gardening programme 2020/2021 to improve the home economy.	Insufficient time to utilize the funds as the allocation was received on 08 December 2020.	Action should be taken to obtain provisions in advance.

2.6 Certification to be done by the Accounting Officer

According to the provisions of Section 38 of the National Audit Act No. 19 of 2018, the Accounting Officer was required to certify the following matters, but had not acted accordingly.

Audit Observation	Comments of the Accounting Officer	Recommendation
The Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system is developed and maintained for the financial control of the District Secretariat and the efficiency of the system should be reviewed from time to time and necessary changes should be made to ensure that the systems run	Annual Internal Audit Plan and Internal Audit Queries prepared and audited accordingly referred to the Auditor General and reports of the annual Audit and Management Committee meetings are also forwarded to the Auditor General.	Should be complied with the provisions of section 38 of the national Audit Act No. 19 of 2018.

efficiently and those reviews had to be made in writing and a copy should be submitted to the Auditor General. But, the statements of that reviews had not been submitted to the audit.

2.7 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

	Observation -----	Comments of the Accounting Officer	Recommendation
	Reference to Laws, Rules and Regulations -----		
	Financial Regulation -----		
(a)	Code of the Democratic Socialist Republic of Sri Lanka. (i) Financial Regulation 104 (4)	There were an accident with vehicles in 2001, 3 accidents in 2018 and 3 accidents in 2020 and the final report on those accidents had not been submitted as per the Financial Regulations.	I will be submitting reports for accidents which have not been submitted final reports in this year. Action should be taken regarding the vehicle accidents in accordance with Financial Regulations.
(ii)	Financial Regulations 1645 (b) 1646 (c)	Daily running charts and monthly summaries of two cabs belonging to the District Samurdhi Division attached to the District Secretariat from May to December 2020 had not been submitted for audit.	Due to the busy schedule of the District Samurdhi Office on the Corona epidemic, there has been a delay in submitting driving records. Should be act in accordance with Financial Regulations regarding daily running charts and monthly summaries
(b)	Public Finance Circular No. 1/2014 dated 17 February 2014.	An Annual Action Plan including the organizational structure of the organization, the approved staff and details of the existing staff, the	The relevant plan has been prepared and submitted on 12 February 2020 as per the Act in accordance with the circular instructions.

budget for the relevant instructions year, the activities received from prepared according to the annual budget – based the Ministry. priorities, the procurement plan and the internal audit plan is to be prepared before the beginning of the year. But, the plan was submitted to the audit late on 08 March 2021.

- | | | | | |
|-----|--|---|---|------|
| (c) | (i) Ministry of public Administration and Home Affairs Circular No. 21/2013 dated 07 October 2013. | 06 officers of 6 Divisional Secretariats had obtained leave pay for 22 days in January and February 2020 alone without obtaining approval as per the above circular instructions. | I will take action to inform the relevant Divisional Secretaries to obtain prior approval from the District Secretary when performing duties on public holidays as per the circular provisions. | -Do- |
| | (ii) Paragraph 2(1) of public Administration Circular No. 09/2009 dated 16 April 2009. | Staff officers did not confirm the arrival or departure by finger printing machines as instructed in the circular. | Arrivals and departures are confirmed by running charts during field duties. | -Do- |

2.8 Informal Transactions

- (a) The following observations are made regarding compensation for property affected by the flood in the year 2017.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(i) The Ministry of Irrigation, Water Resources and Disaster Management has issued two circulars regarding the payment of compensation for properties affected by the flood in 2017. One circular was issued without the date of May 2018 and a maximum compensation of Rs. 100,000 could have been paid for the damaged property in relation to that circular. The circular used by the Divisional Secretariats for the payment of compensation had been issued on 05 June 2017 and a maximum compensation of Rs. 2.5 million could have been paid in respect of that circular. Accordingly, the number of businessmen who had paid more than Rs. 100,000 in compensation was 122 and the paid amount was Rs. 56.98 million due to the payment of compensation made in the Nagoda Divisional Secretariat using the said circular. It should have been clarified that two circulars had been issued on the same matter.</p>	<p>We have received allocations under the Expenditure Head 261-1-1-0-2509 to pay compensation for properties damaged by the flood in May 2017. As per the instructions given in the letter No. NDRSC/01/04/01/2017 dated 05.06.2017 issued by the Ministry of Disaster Management, the Accounting officer of the Expenditure Head 261 issued guideline letter No. DSG/SVC/12/39-2018 dated 08.06.2018 and according to that, action has been taken to pay compensation for the property damaged due to the disaster in May 2017.</p>	<p>Submissions are required for the issuance of two circulars on the same matter.</p>
<p>(ii) Both the husband and wife who had run the same business premises in the absence of credible written evidence that, they had run two separate business premises were paid a total of Rs. 3,521,000 as</p>	<p>The business name registration has not been obtained as per the office business name registration register but, the loss has been paid as it was</p>	<p>Prior to the payment of compensation, all the relevant corroborating evidence should be obtained and acted upon accordingly.</p>

Rs. 2,000,000 and Rs. 1,521,000 respectively. observed that there were two business entities in the area for a long time.

- (iii) Elpitiya Divisional Secretariat has provided Rs. 243,000 to a person who demanded compensation of Rs. 1,266,587 had been overpaid in connection with the resettlement project under compensation for property damage by the flood. The general public was informed that they did not have an understanding of the assessment and the NPA9 (V) form is the basis for reimbursement of the compensation and therefore no overpayment has been made. Should be followed the guidelines given in the circular.
- (iv) According to the financial statements for the year 2018, Rs. 51.34 million had been saved after the payment of flood compensations. The amount requested by each applicant in respect of this balance, the recommended amount, the details of the applicant and the reasons for the non-payment of compensation had not been collected and submitted for audit. As compensation was received from the national Insurance Trust Fund when the additional allocations were received, Rs. 51 million was saved from the allocations received from the general Treasury. Relevant information should be submitted for audit.
- (b) 05 Divisional Secretaries had performed field duties for more than 20 days in a month and had received allowances for that purpose. Outside duties have been performed for essential duties and less than 20 holy days have been spent in a month by 2 Divisional Secretariats. Field duties should be performed in a manner that does not interfere with office duties.

2.9 Deposit Balances

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) The balance of three public deposit accounts between 2 and 5 years and over 5 years were Rs. 93.81 million and Rs. 199.37 million respectively as at 31 December 2020. In this regard, it had not been complied with Financial Regulation 571 (2) and (3) of the Republic of Sri Lanka.	The comments of Accounting Officer had not been submitted.	Action should be taken to settle the relevant balances.
(b) Out of the balance of over 5 years in the public deposit account, the total balance of 102 road carpeting projects was Rs. 169.8 million and no action had been taken to follow up on the contractors involved in the projects to complete the work and release the detention fund and reap the benefits of the projects at the end of the year under review.	The General Manager of the Southern Provincial Road development Authority has been informed to take necessary action in this regard.	These projects which have not been completed for a long time should be followed up immediately and action should be taken to release the detainees or take appropriate action.
(c) Out of the above deposit accounts, audit queries were issued for 04 balances of Rs. 230,214 over 5 years and 44 balances of Rs. 23.94 million between 2 and 5 years. Until the end of the year under review, no action had been taken to rectify the deficiencies in the audit queries and release the deposits.	I would like to inform you that further action is being taken regarding those audit queries and steps are being taken to release the detainees expeditiously.	Appropriate action should be taken immediately on overdue deposit balances and financial regulations should also be considered in this regard.

3. Operational Review

3.1 Abandoned Projects

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) In 2019, estimated cost of Rs. 103.28 million for 200 projects, which were to be implemented by 09 Divisional Secretariats were abandoned due to various reasons.	Most of the proposals were approved in mid-2019 and due to the instructions given by the Election Commission and the Secretary to the Ministry of Finance due to the Presidential Election held in November 2019, inclement weather condition, and non-participation of unions in carrying out projects, election activities etc. were the reasons.	To work efficiently and utilize the allocations made for development projects.
(b) 10 beneficiaries who had donated Rs. 200,000 each under the resettlement project for the people affected by the inclement weather in the Nagoda Divisional Secretariat Division have abandoned the construction of their houses.	I would like to inform you that legal action will be taken in the future.	Follow the instructions given by the National Disaster Relief Services center.

3.2 Delays in Execution of Projects

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
12 Divisional Secretariats under the District Secretariat had implemented 1812 projects under various programmes in the year 2020 and those 494 projects were delayed by 1 day to 07 months. Also, 472.1 million	I would like to inform that the Divisional secretariats will inquire and provide answers in the future.	Action should be taken to reduce the delay fee as per the agreements for the delayed projects.

had been paid for those projects and the percentage of delayed projects was 27 percent of the total number of projects. No delay fee was charged any of those delayed projects.

3.3 Non-achievement of Expected Outcome

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although, the grant of Rs. 3,899,885 for 08 agricultural projects under the Farmers' Trust Fund was estimated for the year 2020, these projects could not be implemented due to non-allocation of funds by the Ministry of Agriculture.	The projects were not implemented as no funds had been received from the Ministry for their implementation.	The relevant institution should have taken action to obtain funds and implement the project. Further, the cost incurred in preparing the project proposals had to be given economic value.
(b) Although a proposal of Rs. 1,500,000 has been submitted to the Ministry of Agriculture for the project of establishing and developing a green agro garden, no allocation has been made for the project in the year 2020.	The project to establish and develop a green agro garden was submitted to the Ministry of Agriculture and the project could not be implemented due to non-allocation of funds.	-Do-
(c) Although the allocations of Rs. 3,153,015 have been requested from the Ministry of Agriculture for 13 agricultural projects by 07 Divisional Secretariats under the Action Plan for the year 2020, the projects could not be implemented due to lack of relevant funds.	These projects have not been implemented as no funds have been allocated for them.	-Do-
(d) The Ministry of Agriculture had requested for a report on the potential and problems of producing organic fertilizer for the promotion of organic	The project could not be implemented as no allocation was made.	-Do-

farming in the area and a project proposal pertaining to the district at the Divisional Secretariat level was submitted at an estimated value of Rs. 12,192,470. The project could not be implemented due to the lack of allocations for the year 2020.

- (e) According to the report of the committee meeting chaired by the Secretary to the Ministry of Agriculture on 29 May 2019, 06 issues have been discussed including the expulsion of wild animals by air rifles as possible measures to reduce the caused by wild animals. But, those functions had not been implemented until 31 December 2020.
- The Ministry of Defense and the Ministry of Agriculture, the Department of Agrarian Development, the department of Wildlife Conservation, the Ministry of Wildlife and the Department of animal production and Health and the Survey Department should take the lead in carrying out these functions.
- Accounting officers should take action to implement the decisions of the Secretary of the Ministry.
- (f) The Secretary to the Ministry of Agriculture had called for information from all District Secretaries to formulate a sustainable programme to minimize the damage caused by wild animals to crops in agricultural areas and a detailed report was submitted to the Ministry. But, so far no sustainable programme has been formulated on those issues.
- This project is being implemented by the Ministry of Agriculture and the responsibilities have been delegated to the Ministries, Departments and institutions and the relevant field information has been sent to the Ministry of Agriculture.
- Necessary action should be taken not only to the District Agriculture Committee meetings where sustainable decisions can be taken on behalf of the agricultural community but also to implement those decisions.
- (g) Inspection of the construction of Auditorium
- The project on construction of the auditorium was scheduled to start on 30 January 2019 and be completed in 720 days by 30 January 2021. However, out of the 564.5 million rupees received in 2019 and 2020, only 501.54 million rupees or 89 percent had been utilized. But the physical progress of the project was 18.45 percent until 15 April 2021.
- It was informed that new plans had to be prepared and therefore the project period was extended. Out of the allocations of Rs. 564.5 million received in 2019 and 2020, Rs. 501.54 million has been spent and bills amounting to Rs. 62.95 million have been settled.
- The work of the project should be completed in accordance with the agreement and if not, should be act in accordance with the terms of the agreement.

3.4 Non-achievement of Expected Benefits

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) Galle, Kadwathsathara Divisional Secretariat ----- The project of the construction of side drain was not connected to the correct level of the canal where the water finally drains in the first lane of No. 29 in Makuluwa implemented under the “Sapiri Gamak” development programme by the Galle Kadawathsathara Divisional Secretariat under the estimation of Rs. 1,000,000. Due to that it was an incomplete project caused a lot of health problems.	This issue was also discussed at the Divisional Coordinating Committee held at the Divisional Secretariat on 24.12.2020 and the Mayor has promised to complete the remaining part of the project and resolve this issue.	Feasibility studies should be carried out systematically and the project should be completed in a manner that does not cause health problems.
(b) Nagoda Divisional Secretariat -----		
(i) Although Rs. 1,844,819 had been paid for 03 water projects implemented by the Divisional Secretariat that water was not suitable for drinking and the whole three projects had not been completed.	This can be solved by following an appropriate disinfection method to remove the bacteria from the water and the necessary arrangements have been made to complete the remaining part of the project.	Necessary steps should be taken to get the water to a potable standard and complete the plumbing projects immediately.
(ii) Rs. 1,481,318 had been expended for partially completed a self-employment training center in Ukowilta North Grama Niladhari Division by 01 September 2020 and the building was underutilized until the audited date of 05 February 2021.	Work has been completed now and training programmes have been initiated to carry out several self-employment activities at this location.	Should be selected projects with greater economic benefits after a proper feasibility study.

- | | | | |
|-----|--|--|--|
| (c) | A total of Rs. 4,708,605 had been paid to construct houses for 04 beneficiaries who were recommended to be evacuated due to the high risk of landslides. But, the above beneficiaries had been living in the same house of the disaster affected until April 2021. | I would like to inform you that the premiums have been released after obtaining a statement from the beneficiaries stating that they will leave the affected area and no one else will be resettled at that place. | Immediate action should be taken to evacuate the affected families from the high risk areas and resettle them in new houses. |
| (d) | Although the District Secretary had been informed the inadequacy of the funds provided for the construction of houses under the resettlement project, adequate action had not been taken until 31 December 2020. | The Additional secretary of the Disaster Management Division of the Ministry of Defense has been briefed about the action to be taken. | Information on future action taken on matters submitted by the Divisional Secretaries should be provided to the audit. |
| (e) | The expenditure for the Hall De Goal hall for the year 2020 is Rs. 3,772,905 and its revenue was Rs. 1,462,300 and the expenditure exceeded the revenue was Rs. 2,310,605 according to the financial statements for the year 2020. | Due to the spread of Covid 19 virus in the country, the public was not able to book the hall for the programmes at the Hall De Goal hall and the target revenue could not be earned. | Strategies should be placed to reach the targeted income level and steps should be taken to minimize expenditure. |

3.5 Procurements

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
02 items worth Rs. 43,500 purchased at Niyagama Divisional Secretariat in the last quarter of 2020 had not yet been approved by the Procurement Committee until the 05 February 2021.	Written approval has been given by the District Secretary and the letter has not been received by this office by the audited date due to an error in delay.	Prior approval should be obtained as required in the procurement process.

3.6 Losses and Damages

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) The total outstanding balances to be brought forward during the year under review was Rs. 2,847,291 and the District Secretariat had not acted appropriately on 9 damages including a balance of Rs. 130,168 for 19 years and a balance of Rs. 626,171 for 7 years.	Judicial action has been taken in connection with the car accident. The Secretary to the Ministry of Home Affairs has given his approval to write off the loss of Rs. 1,403,904 on the assets of the Nagoda Divisional Secretariat. The Director General of the Treasury has been consulted regarding the reduction of Rs. 626,171 in damage to the government official residence at 12 Rampart Street. I would like to inform you that the action to be taken in accordance with Financial Regulations 104(4) will be completed this year for the compensations of SPPB 4826 accident and SPPC 2079, SPPD 4258 accidents as well as WPPA 3817 accident.	Accurate information regarding damages and losses should be disclosed in the financial statements and appropriate action should be taken in accordance with the Financial Regulations.
(b) There were 4 road accidents occurred in the year 2020 and a total of Rs. 394,250 was paid as repair expenses. However, no action had been taken to reimburse the damage of total Rs. 243,300 for 2 of those accidents until 30 April 2021.	The loss of the vehicle bearing No. SPPC 4549 had been settled by the end of the year 2020 and I will take action to reimburse the loss in the year 2021 for the accidents of SPPD 4258, WPPA 3817.	Damages and losses should be dealt with in accordance with Financial Regulations.

3.7 Uneconomic Transactions

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) Although the Karadeniya and Elpitiya Divisional Secretariats have been provided 04 computers to setup Smart Sri Lanka Regional Units and relevant officers had been trained to register job seekers, the process had been halted.	I accept observations.	Necessary action should be taken to take further action on the project as planned.
(b) Although the Ministry of Finance had provided 06 computers to the Karadeniya Divisional Secretariat on 11 November 2018 under the General Treasury integrated management systems programme, the expenditure incurred on those computers had been wasted due to the programme not being implemented till 30 April 2021.	Steps have been taken to expedite the implementation of the General Treasury integrated management systems.	Action should be taken to implement the relevant project efficiently as per the instructions of the Secretary to the Treasury.

3.8 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
(a) 445 Grant papers prepared to be distributed to the relevant beneficiaries for the land distributed under the land allotment project to the landless people in the Elpitiya Divisional Secretariat Division could not be distributed and had been kept in the Divisional Secretariat for 38 years. The grants were signed by the President during the period of 1982-2009 and 02 grants were not signed. Out of the	The non-availability of grant holders has been a problem in dealing with these grants.	Necessary action should be taken immediately on grants that have the potential to take appropriate action.

above grants, 142 grants had been registered at the Land Registry and 303 grants had not been registered.

- | | | | |
|-----|--|---|---|
| (b) | In the Land Division of the Niyagama Divisional Secretariat, 384 grant papers were kept in the office during the period of 1987 and 1997 which could not be distributed to the recipients of grants and out of that, 26 grant papers had been prepared in twice due to lack of proper supervision and other management weaknesses. Also, 14 grant papers issued between 1987 and 1997 had not been registered in the Land Registrar's office until 05 February 2021. | It is hoped that action will be taken before the end of this year on grants that are difficult to resolve in the short term and I further inform that 9 licenses will be issued to the beneficiaries expeditiously and the percentage of work done has decreased due to the Covid situation. | Action should be taken to fill the gaps of the undelivered grants and distribute them to the beneficiaries and the work to be done under the Land Development Ordinance should be carried out to a satisfactory percentage. |
| (b) | Due to non-received of the revised pension details as per Public Administration Circular No. 05/2015 dated 11 February 2015, the Niyagama Divisional Secretariat could not revise the pensions of 12 officers who were paying pensions till 30 April 2021. | I inform you that letters have been sent to the Department of Pensions to make the relevant amendments. | Action should be taken to get necessary steps to rectify the pensions by obtaining the necessary instructions from the Department of Pensions and completing the deficiencies in the files. |
| (c) | Rs. 14.47 million was incurred for the maintenance of 28 vehicles owned by the District Secretariat and the Divisional Secretariat excluding driver's salary and allowances and the number of covered distance was 678,097 kilometer. Accordingly, although the average cost per kilometer was Rs. 21, the cost per kilometer of each vehicle varied between Rs. 8 and Rs. 290. | The cost per kilometer of the pool vehicles had been gone over Rs. 21 due to the major repairs have to be done at a higher cost and it was observed that all the vehicles were older more than 10 years. Also, all repairs to the above vehicles have been done on the recommendation of the car inspector. | Vehicle maintenance cost should also be minimized and maintenance cost should be managed in such a way that the cost per kilometer driven does not fluctuate greatly. |
| (d) | Every Divisional Secretariat was required to provide free uniforms to Dhamma school teachers in every year. According to the sample test, no action had been taken to award | I would like to inform you that the Divisional Secretariat has no responsibility regarding the purchases and the donation | As the officers attached to the Divisional Secretariat in relation to the Department of Buddhist Affairs are |

uniforms to 241 and 243 Dhamma school teachers in Niyagama Divisional Secretariat in the years of 2019 and 2020 respectively.

of the uniforms will be done only if the uniforms are brought and handed over to the incumbent of Registrar by the Department of Buddhist Affairs.

under the supervision of the Divisional Secretary, the Divisional Secretary should take necessary action regarding the matters mentioned in the observation.

3.9 Other Observations

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p style="text-align: center;">Payment of relief due to Covid-19 epidemic</p> <p>Investigations carried out by the District Samurdhi Director's office, Divisional Secretariats and other divisions under the District Secretary revealed the following facts regarding the provision of relief under various categories including loss of livelihood due to the Covid-19 epidemic.</p>	<p>The amount of Rs. 483,560,780 to be reimbursed by the Samurdhi Development</p>	<p>Rs. 483,560,780 due to the Samurdhi Development Department should be reimbursed expeditiously to maintain the Samurdhi bank activities without any hindrance.</p>
<p>(a) The total of Rs. 2,382.65 million remitted by the Samurdhi Development Department to the 19 Divisional Secretariats under the Galle District Secretariat and 68 Samurdhi banks established under it by the end of May 2020 as the money relief due to Covid-19 epidemic. Out of that, Rs. 308.44 million had been returned. Accordingly, the net receipts were Rs. 2,074 million and the total payments were Rs. 2,557.77 million and Rs. 483.56 million had been paid to the beneficiaries from the funds of the Samurdhi Bank</p>	<p>The amount of Rs. 483,560,780 to be reimbursed by the Samurdhi Development</p>	<p>Rs. 483,560,780 due to the Samurdhi Development Department should be reimbursed expeditiously to maintain the Samurdhi bank activities without any hindrance.</p>

Associations. Accordingly, the amount had to be reimbursed by the Samurdhi Development Department.

- (b) 17 persons in 86-D Adadola Grama Niladhari Division of Balapitiya Divisional Secretariat had been paid total of Rs. 170,000 at Rs. 5,000 in each round under 2 basis and Rs. 85,000 had been overpaid to that 17 persons only.
- I would like to inform you that in identifying the beneficiaries, it has been advised to take into consideration the entitlement of beneficiaries given by the Secretariat for the Disabled and Elderly persons and payments have been made accordingly.
- Payment of Covid benefits should be made only on a single basis.
- (c) The committee had recommended paying for a total of 41 appeals received from 01 May 2020 to 27 May 2020 regarding non-receipt of benefits under Covid 19 in respect of Kadawathsathar and Akmeemana Divisional Secretariats and the allowances had not been paid by 30 April 2021.
- Although a recommendation has been made to make a payment, no payment has been made so far due to a lack of funds.
- Eligible beneficiaries are required to pay the prescribed Covid benefits in a timely manner.
- (d) (i) A total of Rs. 250,000 had been overpaid due to the payments of benefits to 25 persons on a dual basis during the months of April and May when paying the benefits of Covid 19 in the Thalapitiya Grama Niladhari Division belonging to the Galle Kadwathsathara Divisional Secretariat.
- The names of 10 of the above 35 candidates have been included in the 2019 electoral rolls and it was also stated that the details will be provided in Annexure No. 01 attached herewith. Although the other 25 persons mentioned in the list are not mentioned in the 2019 Electoral roll, I would like to inform you that they are permanent residents of this division.
- Payment of Covid benefits should be made on a selective basis only.

- | | | | |
|------|---|---------------------------|---|
| (ii) | Rs. 915,000 had been paid under the Elders' waiting list without mentioning the NIC numbers of 21 persons mentioned in the payment list for the month of April and 162 persons for the month of May. | No answers provided. | Should select the eligible beneficiaries and pay the benefits as per the circular provisions. |
| (e) | 358 pensioners belonging to 4 Divisional Secretariats had paid their pensions for the year 2020 without obtaining their life certificates. Four pensioners belonging to 04 Divisional Secretariats had been paid their pensions for the year 2020 based on the life certificate submitted in the year 2019. | I will follow-up on this. | Obtain a life certificate applicable to all retirees and include it in the file. |

4. Human Resources Management

The following observations are made.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) There were 186 approved staff vacancies at the end of the year under review and the District Secretariat had not taken action to fill those vacancies properly.	As these vacancies and surpluses have arisen out of the control of our office, all possible steps have been taken to fill the vacancies and to balance the surplus.	Permanent officers should be appointed to fill the vacancies and vacancies should be filled expeditiously.
(b) 14 officers had been recruited in excess of the approved number without formal approval.	We have not taken action to create a surplus of any of these officers, but the appointing authority has attached these officers to the offices in the Galle District as per the various appeals made by those officers.	Recruitment for posts should not exceed the approved staff.
(c) If an officer is released for any purpose other than his regular duties, the prior approval of the	Agree with audit observations.	Act in accordance with the provisions of the Establishment Code.

Secretary to the relevant Ministry should be obtained, but a Samurdhi Officer who was attached to the Nagoda Divisional Secretariat had been appointed as the Chairman of the Southern Provincial Development Authority and the officer had been on duty without approval for nearly 06 months as the approval was received on 01 July 2020.

- (d) A total of Rs. 654,729 had been paid to the officer mentioned in the above paragraph (c) informally as salaries and allowances as Southern Provincial Development Authority Chairman's monthly allowance, fuel allowance as well as telephone allowance in addition to the salary of the officer in the permanent post from the date of appointment as the Chairman of the Development Authority until June 2020 irrespective of the conditions of the letter of appointment in the post of Divineguma Development Officer of the Divineguma Development Department.
- It was informed that agree with the audit observations. Should be acted in accordance with the appointment letter.