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இலங்கை மலையக அபிவிருத்தி அதிகார சபை
Udarata Development Authority of Sri Lanka

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பொருளாதார அபிவிருத்தி அமைச்சு.
Ministry of Economic Development

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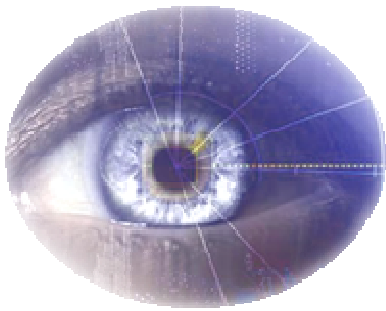
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Annual Report

2011

Contents

	Page
1. Vision and Mission	01
2. Introduction	02
3. Message from the Chairman	09
4. Message from the Director General	11
5. Composition of Board of Management and it's role	12
6. Administrative Division	14
7. Development Division	15
8. Livestock Development Project	35
9. Engineering Division	39
10. Finance Division	45
11. Auditor General's	51



Vision

Upcountry with Dignity and Prosperity



Mission

Formulation of effective, social and economic development oriented programmes and implementation, co-ordination and monitoring them for the benefit of upcountry community.

Introduction

The Sri Lanka Udarata Development Authority was established in March 2006 in terms of the provisions of parliamentary Act no. 26 of 2005 with the objective of identification planning, implementation, coordination and operation of development projects in upcountry.

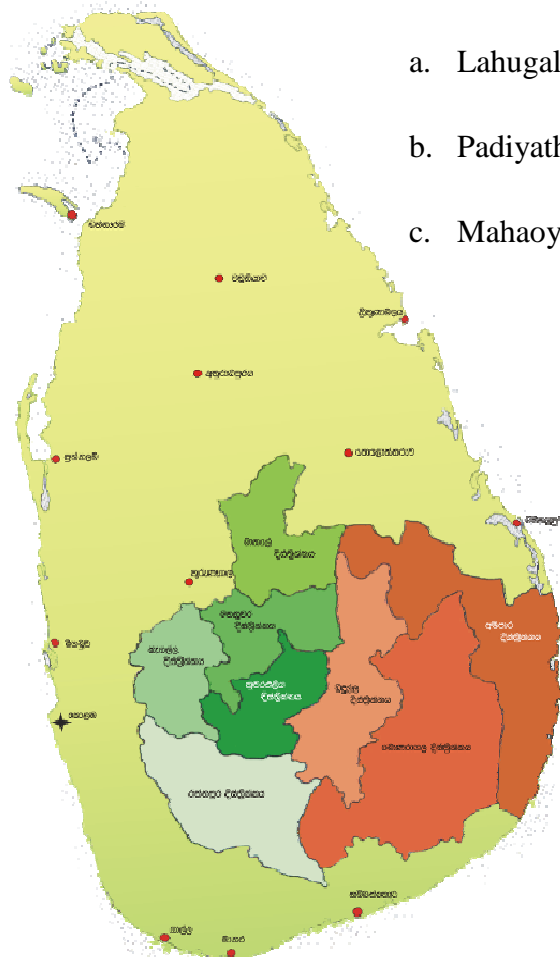
Area of authority

- ❖ Central Province
 - i. Kandy District
 - ii. Matale District
 - iii. Nuwaraeliya District

- ❖ Sabaragamuwa Province
 - i. Kegalle District
 - ii. Ratnapura District

- ❖ Uva Province
 - i. Badulla District
 - ii. Monaragala District

- ❖ Eastern Province
 - i. Ampara District
 - a. Lahugala D.S Division
 - b. Padiyathalawa D.S Division
 - c. Mahaoya D.S Division



Preliminary data relevant to the area of authority

S.No	Province	District	No of D.S. Division	No. of Gramaseva Division
1.	Central	Kandy	20	1,188
		Matale	11	545
		Nuwaraeliya	05	491
2.	Sabaragamuwa	Kegalle	11	573
		Ratnapura	17	525
3.	Uva	Badulla	15	567
		Monaragala	19	319
4.	Eastern	Ampara	3*	49
		Total	93	4307

*. Only three (3) Divisions of Ampara District come under the purview of the Authority.

Designated areas since 2009

Since the year 2009 the under mentioned areas have been designated as areas in which development projects are to be launched.

- Galdegedara
 - Hataraliyadda
 - Harispattuwa
 - Poojapitiya
 - Akurana
- } Divisional Secretariat Divisions



Data Sheet relevant to the Designated Areas.

D.S. Division	Extent Km	No. G.S. Division	No. of Villages	Total Population	No. of families	Samurdhi beneficiaries
Hataraliyadda	62.00	57	112	31650	19802	3400
Galagedara	54.00	67	141	39620	10548	3512
Harispattuwa	59.00	84	148	92007	23501	8043
Poojapitiya	50.40	67	120	62477	15285	5225
Akurana	31.30	35	113	66759	13491	5275
Total	256.70	310	634	292513	72627	25451

Information sheet relevant to designated area

S. No.	D.S. Division	Schools	Temples		Religious Places			No. of Performing art centres.
		No. of Schools	No. of temples	Dhamma Schools	Mosques	Churches	No. of Kovils	
1	Hataraliyadda	22	31	31	2	-	1	6
2	Galagedara	20	36	28	3	2	-	5
3	Harispattuwa	28	65	55	11	-	-	14
4	Poojapitiya	29	59	44	13	1	2	4
5	Akurana	26	16	17	7	-	6	1
Total		125	207	175	86	3	9	30

Main filed of Development

Livelihood Development

Infrastructure Development

Spiritual Development

Goals and Objective

(In terms of Para II of Udarata Development Authority No. 26 of 2005)

- (a) Plan and implement development project within any designated area to improve productivity, foster economic, social, cultural and environmental development and generate income and employment opportunity.
- (b) Carry out detailed studies of the projects indentified in the overall developmet plan for the designated area, on a priority basis.
- (c) Identify groups of people handicapped due to historical, social and other factors and prepare proposals, raise funds and execute projects to uplift their social and economic conditions.
- (d) Extend special attention to the preservation of the city of Kandy, its heritage, cultural institutions, environment and infrastructure in consideration of its historical significance, cultural and economic importance to the entire nation.
- (e) Secure the co-operation of government departments, state institutions, local authorities, public corporations, provincial authorities and other persons natural or legal whether private or public, in carrying out studies referred to in paragraph (b) and in the implementation of development projects within any designated area, and
- (f) Secure the participation of foreign and local private sector agencies, in carrying out detailed studies referred to in paragraph (b) and the implementation.

Organization structure and personnel strength

In order to discharge the objectives and role as envisaged, the Management Services Department since 01-04-2006 has approved the required cadre from time to time and permanent cadre of the Authority is 50 by the year 2011.

Staff Strength

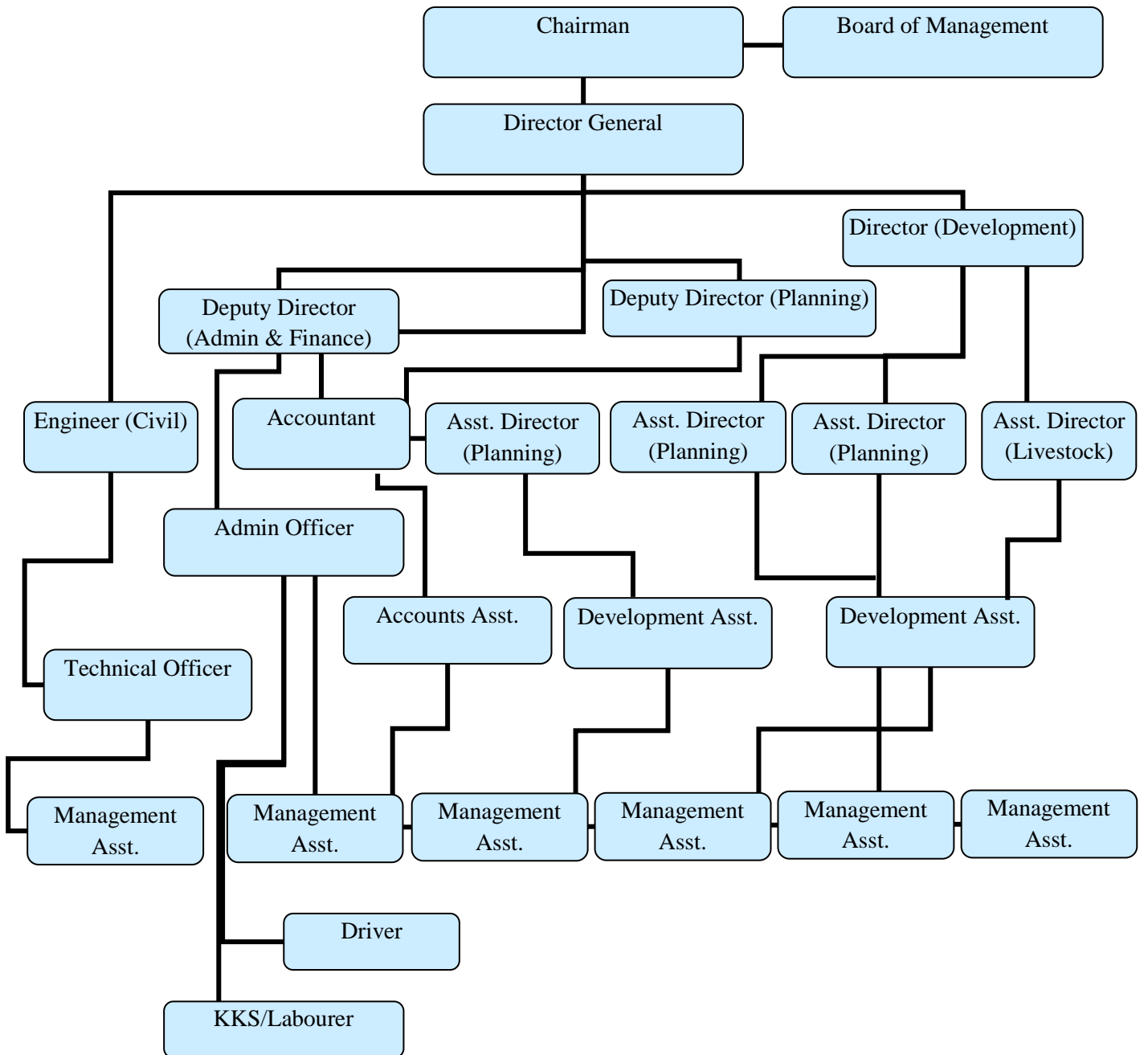
S. No	Designation	Strength approved by MSD	Present Strength	Remarks
01	Director General	01	01	
02	Director (Dev.)	01	01	
03	Deputy Director (Admin & Finance)	01	-	One officer under interdiction
04	Deputy Director (Planning)	01	-	One officer is out of Island
05	Asst. Director (Planning)	02	01	
06	Assist. Director (Dev)	02	01	
07	Asst. Director (livestock)	01	01	
08	Civil Engineer	01	01	
09	Accountant	01	-	Under Interdiction
10	Admin Officer	01	01	
11	Accounts Asst.	01	01	
12	Development Asst.	03	03	
13	Technical Officer (gri)	01	-	
14	Technical Officer	04	04	
15	Management Asst.	13	13	
16	Driver	08	08	
17	KKS (I, II, III)	05	04	
18	Office Labourers	03	03	
	Total	50	43	

In the process of implementing the development projects during the year 2011, the services of permanent staff was not adequate, and therefore the following staff also had to be deployed inclusive of 18 nos. of Trainees from NAITA.

Non-permanent staff deployed – 2011

S. No.	Designation	No. deployed
<u>Contract Basis</u>		
01	Technical Officer	01
02	Management Assistant	06
03	KKS	01
<u>Daily Basis</u>		
01	Management Assistant	01
02	Driver	02
<u>Hire and fire basis</u>		
01	Watcher Training Basis	02
02	Trainees	18
Total		31

Organization Structure



Message from the Chairman



The Udarata Development Authority of Sri Lanka which was established in terms of the provisions of Act no. 26 of 2005 is committed to implement, coordinate and monitor its various development projects since 2006 by harnessing the resources that exist in the upcountry area.

With emphasis on Devineguma Programme launched under the vision of prosperous country and a land of plenty of His Excellency the President and guidance of the Hon. Minister of Economic Affairs, Mr. Basil Rajapaksa, the implementation of development projects in 2011 were carried out within the designated areas of Divisional Secretarial areas in Hatharaliyadda, Galagedera, Harispattuwa, Poojapitiya and Akurana in Kandy District. In this context, a special programme was undertaken to uplift the ways and means of enhancing the livelihood of beneficiary families, by introducing self-employment projects and providing training facilities and guidance towards this direction. Furthermore, the special emphasis also was laid on home gardening, ornamental plants cultivation, mushroom cultivation, provision of beautification equipments, plant nurseries, cultivation of saffron and ginger, bee-keeping, dairy farming, goat rearing, poultry farming projects.

With the objectives of developing the agricultural fields, weightage was given to construct minor irrigation projects for the cultivation of barren lands and renovation of agricultural roads to facilitate easy transport of agricultural crops.

Various programmes aimed at raising not only the economic standards but also the spiritual trend of the rural community were launched and among such programmes, a prominent place was occupied in implementing school environmental programmes for the direction of schools children towards the agricultural field, opening up herbal gardens, commencing Dhamma schools, pre-school development, programmes to put an end to drug menace, uplift of performing arts centres, programmes to change of attitudes, leadership training, improvement of women, children and adults and religious programmes etc.

Even though, the financial provisions for the year 2011 were granted in later part of the year ie. in September, 90% of such provisions (Rs. 192 million) was able to be spent smoothly for the implementation of development projects. Several projects though launched in 2007 and were not able to be completed could be recommenced and completed during this year. Badulla Bogahakumbura-Tennekumbura agricultural road, Akurana Udaweliketiya bridge and access road construction of Mountpresentestate road could be pointed out as such projects. Also it was able to be completed 60% of the construction work in 2011 after recommencing of Hataraliyadda-Weewala bridge, Hiyorapitya-Horatote road, Akurana Sithoday bridge, multipurpose building complex located at Kotmale, Mallanda,

Mawela, Navathispane and is scheduled to complete the rest of the project during 2012, and vest with the community.

The unstinted co-operation and assistance extended by the Hon. Minister of Economic Affairs Basil Rajapakse Esq., the Secretary to the Ministry and his staff, members of the staff of the Authority, and all other officers attached to the government and semi-government institutes in and around Kandy district are vry much appreciated at this juncture.

Amarnanda Weerasinghe
Chairman.

Message from the Director General

A certain amount of development projects were able to be completed during the year 2011 in which year the Authority reached the 5th milestone in its way consequent to the establishment of Udarata Development Authority which was formed with the objective of accelerating the development activities and granting sustainable solutions to the residents in upcountry area who had to undergo various intolerable hardships in economic and social spheres under colonial domination. It was possible to succeed and reap utmost results with the implementation of several projects by harnessing available resource in the region with a broad vision.

Accordingly, every possible strategies were adapted to design and launch development programs towards the livelihood development with special emphasis on opportunities exist, hardships and backward sections, beneficiary groups and organizations.

The priority was given to Divineguma programme which is considered to be the prominent development program in the year 2011 and within our development projects at grass root level were put into operation under which it was helpful directly and indirectly to uplift the social economic and living standards of the rural community. Some of these projects are, renovation of minor irrigation and agricultural roads, introduction, guidance and providing training for various self-employment projects, such as home gardening, cultivation of ornamental plants, mushroom cultivation, providing of beautification equipments, plant nurseries, cultivation of saffron and ginger, bee-keeping, dairy farming, goat rearing and poultry farming.

By giving special reference towards the enhancement of individual spiritual development, various programmes such as Dhamma School and Pre-School development, performing arts centres development, leadership development and livelihood development were implemented effectively and the expenditures incurred in this regard exceeds Rs. 192 million.

Furthermore, a study was carried out to ascertain the details of projects which are incomplete and made arrangements to complete such constructions during 2011.

Accordingly the regional development, and uplift of rural level of development which are among the objectives of the Authority were given due consideration and our mission was directed towards this end on an efficient and systematic footing in 2011.

S.M.S.P. Samarakoon
(Director General)

Board of Management

i. Introduction

The Board of Management is entrusted with taking all the decisions to implement the goals and objectives envisaged and management of functions towards this end. The Board of Management is consisted of 08 members appointed by this Excellency the President.

ii. In terms of section IV part I of the Act, the composition of the Board of Management is as follows:

i. No. of members appointed ex officio - 03

The Secretary of the Ministry who is in-Charge of the Udarata Development subject.

An officer equal to the level of Deputy Secretary to the Treasury.

An officer nominated by the Ministry in-Charge-of the estate infrastructure.

Appointed members – 05

ii. Appointed by His Excellency the President on the recommendation of Minister in-charge-of the subject.

3 – Board of management membership -2011

S. No.	Name of member	Nature of membership	Date of appt.	Date of Leaving	Date of re-appt.
01	Mr. Amaranand Weerasinghe	Appointed Chairman/Board members	2008.12.31	-	-
02	Mr. S.R. Karunaratne	Appointed member	2009.01.20	2010.06.04	2010.08.19
03	Mrs. K.G.K. Wimalaweera (Director)	Ex-officio member	2010.09.15	-	-
04	Mr. Asanka B. Dodanwala	Appointed member	2010.08.19	2011.09.16	-
05	Mr. Abdul Vahid Mohammed	Appointed member	2010.08.19	-	-
06	Mr. Walter Ranasinghe	Appointed member	2010.08.19	-	-
07	Mrs. Seetha Senaratne	Ex-officio member	2011.02.09	2011.12.02	

04 – Powers delegated with the Board of Management

Extensive power has been vested with the Board of Management in terms of the “Sri Lanka Udarata Development Authority”, for the purpose of implementation of objectives envisaged in para II of the Act which has indicated such power in detail. For the purpose of productivity enhancement, indentifying of development projects, implementation and co-ordination of them for the purpose of generation of employment opportunities and promoting economic, social cultural and environmental conditions, the Board of Management is empowered to make provisions, in terms of these powers.

05 – A brief note on decisions taken in 2011 by the Board of Management

- A press conference was held.
- Delegation of powers in terms of FR.
- Approved for budgetary estimates.
- Approval of development plan.
- Approval for recruitment to the posts of Engineers (Civil) and Assistant Director (livestock) and KKS.
- Amendments to expenditures votes for the year.
- Commencement of incomplete projects.
- Issuing instructions to implement urgent project on livelihood development and spiritual development.
- Opening of seedlings sales outlet.
- Issuing instruments to implement programmes for livestock development.
- Approval of monthly recurrent expenditures, capital expenditures and miscellaneous revenue report.
- Issuing instructions to regularize development activities to boost the domestic economy.
- Approval for appointment of panel of Lawyers.
- Approval for a foreign scholarship programme.
- Approval for school environment development projects, and saffron and ginger cultivation projects.
- Approval for implementation of livelihood and spiritual development projects and issuing instructions on them.

Administration Division

Management of human and physical resources thus making contribution to the admin functions and development activities in the year 2011.

Staff Training Programmes during 2011

In order to improve the knowledge of staff towards the discharge of their duties, the following training programmes were conducted.

- Granting opportunity to follow the Postgraduate Diploma on agriculture at National University in Honko, Korea.
- Training on procurement procedure.
- Personal Files maintaining.
- Drafting letters and communication.
- Internet & E-mail
- Time Management
- Photography
- E - government
- Training on accounting procedures.

The main objective of giving training on above subjects is to have a proper understanding on their respective fields of activity, motivation and efficiency in their duties. The training programmes of this nature help the Authority to curtail the expenditures on obtaining such services from outside organization.

The Admin Division contributed a lot towards the achieving of organizational goals in 2011.

Development Division

The main functions entrusted with this Department include implementation of development programmes and follow up action on such programmes, projects on development of infrastructure, economic development and livelihood. Emphasis was laid on livelihood development projects in 2011 and following programmes were put into operation.

Livelihood Development

1. Awareness programmes

- ❖ Recruitment of new members to Women's' Societies in 5 Divisional Secretarial Divisions and identification of development projects.
- ❖ Conducting press conference on National Development programmes – Divineguma and progress on development activities during 2010



- ❖ Conference held in Udarata, Development Authority under the patronage of the Hon. Minister of Economic Development, Basil Rajapakese Esq.
- ❖ Awareness programmes conducted for the employees of all support service institutes in Hataraliyadda, Galagedara, Harispattuwa, Poojapitiya and Akurana (Divineguma Programme)





Divineguma Programme Galagedera



Divineguma Programme Hataraliyadda

Inauguration of National Development Programme (Divineguma)



Divineguma Programme Harispattuwa



Divineguma Programme Poojapitiya

- ❖ Awareness programme for the benefit of 52 plant nursery owners.
- ❖ Preliminary discussion in collaboration with Export Development Board on promoting the cultivation
- ❖ Preliminary discussion held at Nugawela Central College on the implementation of school environment programme.
- ❖ Awareness programme conducted for 59 beneficiaries on cultivation of Anthurium and ornamental leaves in Harispattuwa D.S. Division.

- ❖ Awareness programme conducted for the benefit of unemployed ladies on opening of Beautification Centres.
- ❖ Political authority and government officers were given an awareness on the implementation of development programmes related to livelihood, and spiritual development.

2. Training programmes

- ❖ Training programme was conducted on promotion of Saffron and Ginger cultivation for the benefit of 394 participants in Harispattuwa D.S. Division.
- ❖ Training programme was conducted with the participation of 19 beneficiaries at Sri Visuddharama Temple at Akurana D.S. Division on promotion of Saffron and Ginger cultivation.



1



2

Training programme was conducted with the participation of 190 beneficiaries at Regional Agrarian Services Centre, Galagedera on cultivation of Saffron and Ginger.

- ❖ Training programme was conducted with the participation of 12 beneficiaries at Royal Botanical Gardens in Akurana D.S. Division on Anthurium cultivation.
- ❖ Training programme (Theory and Practice) was conducted at Matale for nursery owners 53 beneficiaries.



1



2

- ❖ Training for 100 beneficiaries of Harispattuwa D.S Division under the programme of developing the rural small industries.
- ❖ Training of nursery owners in collaboration with Provincial Agricultural Department. Training sessions were held at Hataraliyadda, Galagedear, Poojapitiya and Akurana.
- ❖ Training of 13 beneficiaries at the premises of nursery maintained by Mr. M.B. Thennakoon of Uduwa, Hataraliyadda in collaboration with Provincial Agricultural Department, under the programme of empowerment of plant nursery owners.



1



2

- ❖ Leadership training for 52 Dhamma School prefects held at Alwatugoda Konakalagala Vijitha Maha Viharaya in Akurana D.S. Division.
- ❖ Training programmes for 31 beneficiaries on Bee-keeping conducted at Hataraliyadda, D.S. Division.



- ❖ Training programme for 18 beneficiaries on the cultivation of ornamental leaves conducted at Udamuduna Temple premises Poojapitiya D.S. Division.

- ❖ A training programme on ornamental leaves held at Harispattuwa D.S. Office.
- ❖ A training programme on Bee-keeping for 30 beneficiaries at Poojapitiya D.S. Office.
- ❖ A practical training programme for 23 selected Agriculture Teachers from Hataraliyaad, Galagedera, Harispattuwa, Poojapitiya and Akurana held at respective D.S. Offices under school environment development project.
- ❖ A practical training programme on Bee-keeping for 23 selected agriculture teachers of Hataraliyadda and Galagedera D.S. Divisions under school development programme.



Practical Training for Agriculture Teachers

- ❖ A practical training on mushroom cultivation for officers dealing with the programmes relating to livelihood at Small Entrepreneurship Development Institute at Gampola.
- ❖ A technical training for selected beneficiaries at Galagedera D.S. Office.

Activities

- ❖ Some residents in Hataraliyadda, Galagedera, Harispattuwa, Poojapitiya and Akurana Divisional Secretariat areas face certain amount of hardships in view of threats from the monkeys. To trap them, cages were provided to the residents.
- ❖ Seventy seven (77) beneficiaries in 22 GSN Division in Akurana D.S Division provided with 665 Kg of Saffron and 1136 Kg of Ginger seeds



(1)



(2)

- ❖ A distribution programme of 5311 Kg of Saffron and Ginger among 732 beneficiaries in Harispattuwas D.S. Division.
- ❖ A distribution programme of 960 Kg of Saffron and 1975 Kg of Ginger among 145 beneficiaries at Galagedera Agrarian Services Centre.
- ❖ A distribution of 1470 Kg of Saffron and Ginger among 490 beneficiaries at Poojapitiya Agrarian Services Centre.
- ❖ A distribution of utility items and some other requirement for Bee-keeping for the use of 31 beneficiaries at Hataraliyadda D.S Division.



(1)



(2)

- ❖ A distribution of Saffron and Ginger seed for 140 beneficiaries in Akurana D.S. Division
- ❖ A programme of distribution of Bee-keeping boxes and colonies to 30 beneficiaries in Harispattuwa.
- ❖ A programme of distribution of beautification equipments was held at Harispattuwa D.S. Office.
- ❖ A programme of distribution of Bee-keeping boxes and colonies to 29 beneficiaries in Akurana D.S. Division.
- ❖ Distribution of Bee-keeping boxes and colonies to 85 beneficiary families in Poojapitiya D.S. Division.
- ❖ Barber training and distribution of equipments to 23 beneficiaries in Poojapitiya D.S.Division.
- ❖ Distribution of 300 Sadikka Plants to 31 beneficiaries in Akurana D.S. Division.
- ❖ At the time of inaugurating the 2nd stage of Divineguma Programme, arrangements were made to open up a sales outlet at Peradeniya Botanical Gardens for the sale of vegetables, fruits and medicinal herbs. Through this outlet, facilities have been provided for the community to purchase planting materials and also the nursery owners within the area of Authority have been able to sell their plants



Divineguma plants sales outlet in Peradeniya Botanical Garden Premises.

- ❖ To make the Vapmagul ceremony at Poojapitiya D.S. Division 50 farmers were provided with mammoties.
- ❖ Each of the 8 beneficiaries in 3 GSN Divisions (Dippitiya, Mawathupola, Delgasgoda) in Akurana were issued with 10 nos. of Emban Plantain seedings.

Products
Ginger Cultivation



Ginger cultivation project maintained by Mrs. Pathma Kumarie Nandathilake No: 69/5, Watagoda, Harispattuwa.



Ginger cultivation project maintained by Mrs. Neetha Damayanthi, No: 38/A, Watagoda, Harispattuwa.





Ginger cultivation project maintained by Mrs. Susantha Rajapaksa, No: 23/3, Watagoda, Harispattuwa.

Saffron Cultivation

Saffron cultivation project maintained by Mrs. Pathama Kumarie Nandathilake, No: 69/5, Watagoda, Harispattuwa.



Saffron cultivation project maintained by Mrs. Neetha Damayanthi Thennage No: 38/A, Watagoda, Harispattuwa.





Saffron cultivation project maintained by Mrs. Susantha Rajapakse. No: 23/3, Watagoda, Harispattuwa.

Bee-keeping



Bee-keeping project maintained by Mrs. W.M. Ajantha Wijerathna, Deepthi, Diddeniya, Poojapitiya.





Bee-keeping project maintained by Mrs. S.M. Samarasinghe, Sendrawatta, Yaggala, Hataraliyadda.

Spiritual Development

Awareness Programmes:

- ❖ Awareness programme on Pali Language for the benefit of 80 Teachers of 44 Dhamm school in Poojapitiya D.S. Division.
- ❖ Attitude development programme conducted at Galiyawa Vihara in Galagedera D.S. Division.
- ❖ Attitude development programme for officers attached to Poojapitiya D.S. Office.
- ❖ Attitude development programme for 120 Dhamma school teachers attached to Dhamma School in Harispattuwa D.S. Division.



- ❖ Dhamma School Teachers training programme for 104 Teachers in Akurana D.S. Division.
- ❖ Spiritual development programme conducted for the benefit of ladies and gentlemen who wish to get married recently at Akurana D.S. Division.

- ❖ Dhamma school Teachers training programme in Poojapitiya D.S. Division.
- ❖ Training programme to develop the Dhamma School Teachers' attitudes participated 100 Teachers in 31 Dhamma Schools.



Programme conducted for Dhamma School Teachers.

- ❖ Conducted a training programme for 30 pre-school teachers in Hataraliyadda D.S. Division.
- ❖ Awareness programme for beneficiaries on implementation of sanitation projects in Hataraliyadda, Galagedera, Harispattuwa, Poojapitiya and Akurana D.S. Division

Activities

- ❖ Donation of 12 nos. of plastic chairs and 10nos. of white board to Hemananda Dhamma School, Rambukwella in Poojapitiya D.S. Division.
- ❖ Some items for the use of Dhamma schools located at Banwelgolla, Yatihalagala, Bogahakanda, GSN Divisions in Harispattuwa D.S Division were distributed.
- ❖ Items were handed over to Siyapathgama, Sirisummedha Dhamma School in Poojapitiya D.S. Division.
- ❖ Items were handed over to Masjith Hafil Ibhu Hajjir muslim Dhamma School in Akurana D.S. Division.
- ❖ Handing over of items to Akkaragama Sri Dharmasiri Dhamma School, Sariputta Dhamm School, Ruwanpura Bodhirukkarama Dhamma School in Harispattuwa D.S. Division.



- ❖ Latrine facilities were provided to Welekanda Sri Sudharamarama Dhamma School in Harispattuwa D.S. Division.
- ❖ Renovation of Dhammaloka Dhamma School building in Harispattuwa D.S.Division.
- ❖ Opening of a new Dhamma School by the name of Dharmapala Dhamma School in Harispattuwa D.S. Division



Newly opened Dharmapala Dhamma School

- ❖ Providing books to Botota Library in Harispattuwa D.S. Division.
- ❖ Providing books to the Harispattuwa cultural centre pupils who won all island victories.
- ❖ Conducting Sokary Shanthi Karma at Harispattuwa cultural centre.
- ❖ Renovations to roof of Gnanaloka Pre-school Poojapitiya.
- ❖ Providing 50 nos. of plastic chairs to Konakolagale Sri Vijitha Mahavihara, Akurana.
- ❖ Planting material distributed to the following Schools under school environmental programe:

I.	Hataraliyadda	D.S. Division - No. of schools	08
II.	Galagedera	D.S. Division - No. of schools	10
III.	Harispattuwa	D.S. Division - No. of schools	14
IV.	Poojapitiya	D.S. Division - No. of schools	14
V.	Akurana	D.S. Division - No. of schools	05



- ❖ Distribution of Bee-keeping boxes and colonies to following schools under school environmental programme.

I.	Hataraliyadda	D.S. Division - No. of schools	07
II.	Galagedera	D.S. Division - No. of schools	09
III.	Harispattuwa	D.S. Division - No. of schools	12
IV.	Poojapitiya	D.S. Division - No. of schools	12
V.	Akurana	D.S. Division - No. of schools	05



- ❖ Bodipooja programme at Kopyiwatta and Girigama Viharas in Galagedera D.S. Division.
- ❖ Distributed medicinal herbs to 75 religious places, 20 community centres, 04 libraries. Total quantity of herbs distributed was 3306 Nos.
- ❖ To mark the swearing in ceremony for 2nd term of office of His Excellency President – tree planting programme (Deyata Sevena) was launched.



- ❖ 2964 Nos. of medicinal herbs in 34 varieties were supplied to 05 religious places to open up Herbal Gardens in D.S. Divisions, Hataraliyadda and Galagedera.
- ❖ Among 20 community centres in Poojapitiya D.S. Division 220 nos. of fruit seedings were distributed, 03 seedlings to each 20 centres as follows.

- ❖ Mango, Rambutan, Durian, Guava, Pomegranate, Avocado, Passion Fruit, Emban, Kingcoconut, Ugurassa, Malaysian Jambu.
- ❖ Under the spiritual development programme, 27 nos. of cupboards, 36 nos. of white boards were handed over to Akurana Provincial Council for distribution among Dhamma Schools.
- ❖ Under spiritual development programme, 181 nos. of white boards (3'x2'), 33 nos. of were cupboards handed over to Harispattuwa Provincial Council for distribution among Dhamma Schools.
- ❖ Some equipments were handed over to the Provincial Council for distribution among Dhamma schools in Hataraliyadda and Galagedara.

Udarata Navodaya Radio Programme

Udarata Navodaya Radio Programme in collaboration with Kandurata Service of the SLBC was telecast in every month giving opportunities to exhibit and boost the talents and skills of communities living in designated areas of the Authority.

- ❖ Recording of this programme at Hataraliyadda on 31.03.2011.



- ❖ Recording a programme at Galagedera on 29.04.2011



- ❖ Recording a programme in Harispattuwa D.S. Division on 27.05.2011.
- ❖ Recording a programme at Rabukewela Kanishta Vidyalaya in D.S. Division Poojapitiya on 24.06.2011.
- ❖ Recording a programme in Dunuwila Rathanapala Vidyalaya in Akurana D.S. Division on 28.07.2011.



- ❖ Recording a programme at Galabawa M.V in Galagedera D.S. Division on 23.09.2011
- ❖ Recording a programme at Nugewela Boys' School in Harispattuwa D.S. Division on 27.10.2011.
- ❖ Recording a programme at Henagama Sangananda Pirivena in Poojapitiya D.S. Division on 24.11.2011.
- ❖ Recording a programme at Konakalagala Vihara in Akurana D.S. Division on 29.12.2011.

T.V. Programmes

- ❖ A Television programme was telecast in ITN from 11.30 AM to 12.00 noon 27.07.2011 in which attention was focused on the development projects envisaged. The Chairman SLUDA, Director General (Admin) Ministry of Economic Affairs Mrs. Seetha Senarathne and Director (Development) SLUDA were associated with this programme.
- ❖ A Television programme was telecast National Channel from 6.00PM to 6.30PM on 15.08.2011 with the intention of giving an awareness to the community on the development projects planned by SLUDA. The Chairman, Board member Mr. Walter Ranasingha, and the Director (Dev) were associated with this programme.

International Commemorations

- ❖ To mark the International Womens' Day commemoration ceremonies held in, Hataraliyadda, Galagedera, Harispattuwa, Poojapitya and Akurana D.S. Divisions.
- ❖ To mark the International Day for the prevention of smoking was held at the Auditorium of Hataraliyadda D.S. Office in order to give an awareness to the community on the consequence of smoking.
- ❖ World Children Day and Adults' Day were commemorated with the participation of 200 adults and 50 children at a meeting held in Hataraliyadda D.S. Division.
- ❖ Worlds Children Day was marked with the participation of 110 children at Poojapitiya D.S Division.
- ❖ World Children Day was marked with the participation of 1003 pre-school children in Akurana D.S. Division.
- ❖ Worlds Children Day was marked with the participation of 110 children represented by 40 children clubs in Poojapitiya D.S. Division.



- ❖ Worlds Children Day was commemorated with the participation of 1155 pre-school children from 36 pre-schools in Harispattuwa D.S. Division.
- ❖ A Street Drama was staged in Galagedera D.S. Division to mark the International Children Day and worlds Adults' Day.
- ❖ Worlds Adults' Day was marked in Galagedera D.S. Division with the participation of 400 adults.

Programme conducted with the combination of government organizations and volunteer organizations.

- ❖ Within the area of authority several programmes were conducted such as, lectures beneficial to youths and adults, programmes that are helpful for the empowerment of women, discussions leading to various problems affect the youths.
- ❖ Awareness programme was conducted for the benefit of Rural Development Officers and staff attached to their offices in the D.S. Divisions within the area of our authority in consultation with the Director, provincial Rural Development Department.
- ❖ A discussion was held with the officers attached to the Provincial Cultural Department (Central)
- ❖ A discussion was held with the objective of boosting the herbal gardens located within the religious places with the Provincial Commissioner of Aurveda and religious leaders.



- ❖ A discussion was held with the officer attached to the Provincial Central Environment Authority.
- ❖ A discussion was held with the Provincial Director of Social Services and his staff in order to enlist their assistance in the implementation of livelihood and spiritual development projects.
- ❖ A discussion was held with the Head of Performing Arts Centres and Cultural Officers in 5 P.S. Divisions in order to identify and boost the inherited cultural aspects and promote the skills of Artists in upcountry area.
- ❖ A preliminary discussion was held with the Assistant Director of Central Province Youth Services Council and Youth Services Officers attached to Hataraliyadda, Galagedera, Harispattuwa, Poojapitiya and Akurana D.S. Divisions to identity the various skills of youths residing within the area of authority and promote such skills.



A propaganda activity launched by the Authority under the programme introduced to put an end to the drug menace.



- ❖ An awareness programme was conducted in consultation with the Alcohol and Drugs Information Centre to give an understanding to the officers attached to SLUDA as to how drugs and alcohol addicts could be relieved of such addictions.

Health Service Programme

- ❖ Action was taken to provide latrine facilities within the area of authority. Under this programme, 413 families were provided with cement, bricks, roofing sheets, and other requirements to enable them to construct their latrines. Through this type of relief arrangements, it is expected to promote good health habits, and minimize infectious diseases.
- ❖ A programme on significance of parenthood was arranged for expectant mothers at Health Centre, Hataraliyadda.
- ❖ Renovation of two maternity clinic centres in Hataraliyadda.
- ❖ Renovation of two maternity clinic centres in Hataraliyadda.
- ❖ Renovation of two maternity clinic centres, Galabawa, Galagedera.
- ❖ A programme to promote the attitudes of expectant mothers was conducted at Akurana.
- ❖ Conducted health clinic in Harispattuwa D.S. Division.
- ❖ A blood donation campaign was conducted at Poojapitiya D.S. Division, in combination with the Hemakanda Dhamma School.



Small Irrigation and Agri Road Development Project

S.NO	P.S. Div.	Project	No.of approved total Proejects	No. of sanctioned Projects	No. of Contracted Projects	Total amount spent as at 31.12.12 Rs.	Continuing Projects	No of Contracted Projects
01	Hataraliyadda	Minor Irrigation	44	44	43	7.06	4	6
		Agri Roads	83	75	64	13.57	14	11
02	Galagedara	Minor Irrigation	64	46	44	7.74	8	12
		Agri Roads	130	112	105	10.01	49	23
03	Harispattuwa	Minor Irrigation	113	101	101	24.88	22	8
		Agri Roads	54	30	29	5.32	5	-
04	Poojapitiya	Minor Irrigation	89	79	73	12.73	31	2
		Agri Roads	44	42	40	5.54	7	8
05	Akurana	Minor Irrigation	30	30	30	5.61	9	2
		Agri Roads	26	23	23	1.67	11	4
Total			677	582	552	94.13	160	76

Livestock Development Projects

In view of the severe need for the promotion of livestock development projects within the area of authority, an Assistant Director also was recruited and projects were launched. Accordingly the following projects were commenced.

- ❖ Dairy farming project
- ❖ Goat rearing project
- ❖ Poultry farming project

As a first step towards the commencement of these projects, awareness programmes conducted in each D.S. Division on livestock development and beneficiaries were selected after such All the beneficiaries were given awareness for each projects after selecting the beneficiaries.

S.No.	D.S. Division	Dairy farming		Goat rearing		Poultry farming	
		No. applied	No. of selected	No. applied	No. of selected	No applied	No. selected
01	Hataraliyadda	37	13	48	11	48	32
02	Galagedera	21	09	21	13	98	74
03	Harispattuwa	26	08	37	10	107	38
04	Poojapitiya	20	12	24	08	38	27
05	Akurana	29	11	40	13	164	81



Training programme held relevant to milk cow rearing projects



Training programme on goat rearing.

09. Conducted 04 training sessions under poultry farming project



Seventeen (17) training sessions were conducted under each project and animals and material assistance were provided as follows.

S. No.	Material Assistance/Animals	Quantity
01	No of cow houses under designated projects	51
02	Extra cow houses	07
03	Milk cows	52
04	Goats	165
05	Chickens	3024

Even though, 51 persons were selected for giving cow houses in view of the special request made by the beneficiaries in Harispattuwa, Poojapitiya and Akurana D.S. Divisions, additional 07 beneficiaries were also provided with required material assistance.



Distribution of material assistance to the beneficiaries

Milk cows and goats were selected from the Manikpalama farm of the National Livestock Development Boards (NLDB).



Selection of cows and Goats-Manipalama Farm-NLDB

Action was taken to get down 01 month old chickens from Hadabima Authority.



Distribution of chicken at Poojapitiya D.S. Division

Authority was able to identify the projects within a short period of 03 months and plant for successful implementation during 2011.

Engineering Division

Basic responsibilities entrusted with this section are, preparation of estimates and other technical documents, quality control, supervision of standards, tender procedure technical evaluation, inspection of sites, checking the bills and recommending them.

Implemented Projects 2011

Under the livestock development programme in 2011, renovation of 340 minor irrigation projects checking and forwarding the document for construction of 337 agri roads.



**Harispattuwa, Malagammana
Akkurawatta, Irrigation canel.**



Agri road-Galagedera,

Incomplete Projects

The projects commenced in 2006, 2007 and 2008 but not completed were able to be recommenced and completed was benefitted immensely community.

1. Construction of Amunewela, Udaweliketiya (Akurana) bridge.

Although construction of this bridge was started in 2008, work was not completed. However, under the progarmme of completion of incomplete projects, construction was completed during 2011. Total expenditure was 1.07 million. The day-to-day transport was made easy for the community with this construction as it was a long felt need.



Akurana, Udaweliketiya Amunewela bridge.

2. Access road to Udaweliketiya bridge

With the construction of Amunewela bridge. It became necessary to construct the access road too by spending a sum of Rs. 1.02 million, it was also completed.

3. Laying concrete – mount plaza estate Dangolla Kandy

With the completion of this project, by spending Rs. 0.88 million, the community of the area was immensely benefitted.



4. Laying concrete – Welimada Bogahakumbura-Tennakumbura Agri Road.

Construction work on this road had been initiated in 2007. However, work was recommenced under the programme for completion of work of incomplete projects in 2011. Work has already been completed at a cost of 2.99 million and vested with the people to whom this road is very beneficial for their day-to-day transport.



Welimada, Gogahakumbura-Tennakumbura Agri Road

5. **Akurana Sithodaya bridge and laying concrete.**

This project also has been commenced in 2008 under Gamaneguma programme and remained as an incomplete project. Work recommenced in 2011 and 35% of construction is over by now. Cost involved is 5.20 million. It is scheduled to complete the balance portion and vest with the people. Beneficiaries are considered to be around 2475.

6. **Construction of Vewala bridge, Narangaspitiya Hataraliyadda**

Narangaspitiya, Akkarawatta, Dehiattemada, Viwala, Welagama villages had become isolated by the Rambukkan Oya which flows through these remote areas and efforts put forward by the villagers to get a bridge constructed had not been successful. Some school children and adults had become victims when crossing the Kumbukkan Oya in the past. Even though, this construction project was launched in 2009 in order to grant some relief by way of transport to the community living in these villages, the construction was at a standstill. However, construction work was recommenced in 2011 and estimated cost is Rs. 13.89 million. The amount spent so far is Rs. 5.51 million. In view of the burden of constructing the access road, the work was unable to be completed as planned. However, 60% of the construction is over by now and it is scheduled to complete the rest at the earliest.



Narangaspitiya Vewala bridge which is under construction

7. Development of Hiyarapitiya Nagahamula Horekote road (Udunuwara)

This project also was commenced in 2008 under Gamaneguma progarmme and it remained as an incomplete project. However, with the recommencing constructions in 2011 it's constructions has been completed up to 60%. The estimated cost is Rs.3.07 million. The rest of the construction is scheduled to be completed early and number of beneficiaries will be around 620.



8. Completion of construction of a multipurpose building – Thispane (Kotmale)

Even though, the construction of this building was started in 2007 it had not been completed until 2011. However, constructions recommenced in 2011 and 50% has now been completed at a cost of Rs. 0.92 million. It is scheduled to be completed in 2012.



9. Completion of construction of Community Centre Building, Mawela – Kotmale

The construction work in this building was recommenced in 2011 and towards the end of 2011, sixty per cent (60%) of work has been completed. The estimated cost is Rs. 1.30 million and it is expected to complete the construction early and vest with people of the area. About 950 beneficiaries are involved.



10. Completion of construction work of multipurpose Building, Mallanda – Kithmale

At an estimated cost of Rs. 1.80 million. The construction was commenced and it becomes an incomplete project. However, construction recommenced in 2011 and it is due to be vested with the people early. Sixty percent (60%) of work has now been completed.

3. Difficulties encountered in the implementation of projects

The hardships which were faced by the Authority in the process of constructions are indicated below.

- I. Several projects were unable to be completed within the year as planned.
- II. Lack of supervisory assistance when the constructions were in progress.
- III. Delay in receiving the bills for settlement.
- IV. Non-receipt of financial provisions at the beginning of the year as a result of which inability to complete the projects in time.
- V. The following factors contributed towards the inability to complete the projects within the specified period.
 - a. Adverse weather conditions.
 - b. Change of designs and amendments to estimates.
 - c. Lack of skilled labour.
- VI. In view of the practical difficulties and some other hardship, certain obstacles were emerged.

Even amidst the above hardships, 90% of the projects envisaged could have been completed.

Finance Division

Balance sheet as at 31.12.2011

	2011 Rs. Cents	2010 Rs. Cents
<u>Assets</u>		
Value of property & equipment	28,566,391.59	31,429,932.77
<u>Current Assets</u>		
Stock	411,8383.45	262,343.15
Fixed Deposit	5,863,157.13	5,000,000.00
Debtors	203,550.00	403,950.00
Deposit due	-	105,000.00
Revolving Funds due	6,151,455.01	6,382,743.25
Advance		6,400.00
Cash Balance – I	53,513,849.01	54,078,972.42
		2,058,356.03
Cast Balance – II	953,829.51	
Deposits		75,000.00
Deposit Account due	-	103,408,269.85
Advance due	55,000.00	80,028.04
Total Assets	46,834,761.07	203,290,992.51
<u>Current liabilities</u>		
Retentions	1,082,489.78	877,546.33
Gratuity allocations	895,152.50	1,093,447.08
Accrued expenditures	636,650.85	621,406.76
Debtors		108,855.84
Retentions Taxes	4,400.00	20,961.21
Continuing Payments	50,127,342.70	137,727,371.22
Deposits Payable	1,565,000.00	1,565,000.00
Deposits Employee Security	60,500.00	19,500.00
Other Payments		89,000.00
Net assets	<u>42,463,225.24</u>	<u>61,167,904.06</u>
<u>Claims and liabilities</u>		
State Provision Accounts	28,944,324.92	31,807,866.09
Surplus/deficiency	<u>63,518,900.32</u>	<u>29,360,037.97</u>
	<u>92,463,225.24</u>	<u>61,167,904.06</u>

Statement of income and expenditure 31.12.2012

	2011	2010
	Rs. Cents	Rs. Cents
<u>Receipt of funds</u>		
Treasure - Receipt Capital	213,787,035.00	301,069,044.70
Receipt Re-current	22,908,190.00	20,889,000.00
Various Income	1,338,661.85	2,353,604.78
State provision Accounts	3,076,506.17	3,592,101.01
Revolving Funds	1,009,470.00	
Total Receipt	242,119,863.02	327,903,750.49
<u>Operation Expenditure</u>		
Personnel Emoluments	15,491,867.68	14,372,109.82
Travelling Expenses	385,272.59	504,973.30
Supplies and others	1,591,099.62	2,103,999.39
Maintenance Cost	3,612,108.77	3,842,763.10
Contract Services	1,331,050.98	1,251,082.46
Depreciations	3,076,506.17	3,592,101.01
Other operation expenditures	3,072,808.46	2,481,791.69
Development cost	207,879,862.15	292,196,041.90
Total operational cost	236,440,576.42	320,341,862.67
Surplus/Deficiency – Operations	5,679,286.60	7,561,887.82
Balance of payments	<u>57,839,613.72</u>	<u>21,798,150.15</u>
Total surplus/deficiency	<u>63,518,900.32</u>	<u>29,360,037.97</u>

The perusal of balance sheet 2010 reveals that no increase had been recorded in cost of projects or value of machinery and equipments. During the year 2011, only furniture and equipments have been purchased. Fixed asset depreciation is Rs. 3.076 in 2011.

The fixed deposit maintained by the revolving fund has been recorded an increase of Rs. 863,157.13 when compared with that of the year 2010.

The expenditure incurred on developments have been recorded a considerable decrease when compared with that of 2010. The implementation of a lot of projects under livelihood development process, the payment of a sum of Rs. 191.438 million out of the sum of Rs. 213 million received are factors contributed in this regard. Due to this reason, the cost of continued and contracted projects during 2012 recorded as Rs. 50,127 million.

The capital expenses granted by the Treasury for the year 2011 was Rs. 300 million. The percentage of receipt of capital expenses is 71% comparatively.

Furthermore, the increase in receipts of recurrent expenditure is recorded as Rs. 2.01 million comparatively it is 9.6% as a percentage.

TOTAL EXPENDITURE

S. No	Description	2011	2010
1.	Recurrent Expenditure	23,795,572.00	24,556,719.76
2.	Development Expenditure		
2.1	Gamaneguma		
	Development of physical and infrastructure		140,995,227.80
	Development of spiritual and livelihood.	137,074,372.65	3,125,478.08
2.2	Special projects (Ministry of Economic Affairs)	11,212,610.45	5,640,478.66
2.3	Administrative Expenses	8,534,626.93	4,704,487.00
3.	Taking over of fixed assets and rehabilitations.	212,965.00	1,156,867.37
4.	Continued and contracted payments	81,031,682.44	39,682,357.78
	Total	264,861,799.47	219,861,616.45

Current Expenditure

S. No.	Description	2011	%	2010	%
1.	Personnel emoluments	15,391,718.00	64.38	17,372,109.82	58.53
2.	Travelling expenses	522,711.84	2.20	504,973.30	2.10
3.	Supplies services	3,204,353.24	13.47	2,103,999.39	8.57
4.	Maintenance	2,312,751.91	9.72	3,842,763.10	15.65
5.	Contract Services	2,364,037.56	9.93	1,251,082.46	5.13
6.	Others			2,481,791.69	10.02
7.	Total	23,795,572.00	100.00	24,556,719.76	100.00

Recurrent expenditure for the year 2011 is Rs. 23.795 million, which is considered as a decrease when compared with that of 2010. A sum of Rs. 15.391 was paid by way of personnel emoluments. During 2011, which is considered to be an increase of Rs. 1.019 million when compared with that of 2010. The factors contributed towards this increase are, payment of arrears in terms of MSD circular no 30 (1)/3 increase in COL, filling of vacancy for the post of Assistant Director (livestock).

The expenditure incurred on supplied and services have been increased by Rs. 1.1 million when compared with that of 2010. Increase in fuel prices, increase of allowances paid to the Board of Management, increase in cost of almost all the items and services are considered to be the factors that contributed towards this increase, comparatively. The expenditure for contract services during 2011 was recorded as Rs. 1.331 million which is an increase of Rs. 0.008 when compared with that of 2010. The factor that contributed towards the increase in cost are, increase in electricity charges, increase in fuel charges, increase in rental and lease and increase in vehicle insurance premiums.

Income earned from Kadugannwa market complex during 2011 is Rs. 0.668 million, which is an increase of Rs. 0.25 million when compared with that of 2010. Re-allocation of rooms, recovery of arrears of rental, releasing of room no, 09 and 10 on lease are factors contributed towards this increase. Also an income of Rs. 17,532.12 was received from Diyadahara Restaurant in Belihuloya.

Under Divineguma programme, a plant selling outlets opened inside the premises of Peradeniya Botanical Gardens in the year 2011 and the net profit generated by this outlet was Rs. 77,695.

Development Expenditure

01- Infrastructure Facilities.

S. No.	D.S. Division	2011	%	2010	%
1	Poojapitiya	-	-	30,874,193.07	21.90
2	Akurana	-	-	19,152,013.50	13.58
3	Harispattuwa	-	-	44,092,482.02	31.28
4	Hataraliyadda	-	-	19,731,683.70	13.99
5	Galagedera	-	-	27,144,855.57	19.25
		-	-	140,997,237.86	100.00

A sum of Rs. 140.995 has been spent in the year 2010 by way of infrastructure. In view of the fact that the projects had to be implemented under livelihood and spiritual development during 2011, the expenditure under infrastructure has not been indicated in the above table.

02 – Promoting ways and means of livelihood development and spiritual development

S. No.	D.S. Division	2011		2010	
		Promotion of livelihood	Spiritual development	Promotion of livelihood	Spiritual development
1	Poojapitiya	109,567,663.21	27,506,679.44	2,202,583.81	922,894.27
2	Akurana				
3	Harispattuwa				
4	Hataraliyadda				
5	Galagedara				
	Total	109,567,663.21	27,506,679.44	2,202,583.81	922,894.27

A considerable progress could be observed on livelihood development and spiritual development during 2011 when compared with that of 2010, in view of the fact that the projects during 2011 were based only on livelihood development and spiritual development. The constructions of irrigation canals and agri roads were carried out under the livelihood

during 2011 are on the increase when compared with that of 2010. Also it is noted that a lot of spiritual development projects were able to be completed in 2011 and a considerable sum of money had to be spent on such projects when compared with that of 2010. A special mention should be made with regard to the providing of sanitary facilities and other requirements for use of performing arts centres.

The special tasks executed by the Finance Division in 2010

01. A programme to collect revolving funds which were left behind during last year's was launched with the assistance of Grama Seva officers in respective D.S. Divisions. A sum of rupees nearly 7 million was collected as a result of this programme.
02. Action was taken to pay the arrears of salary in terms of the provisions of MSD Circular No 30 (1).
03. A training programme on Accounting Procedures was conducted which was beneficial to perform respective duties in a government institute.



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கணக்காய்வாளர் தலைமைஅதிபதிதிணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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திகதி } 16 October 2012
Date }

The Chairman
Udarata Development Authority of Sri Lanka

Report of the Auditor General on the Financial Statements of the Udarata Development Authority of Sri Lanka for the year ended 31 December 2011 in terms of Section 14(2) (c) of the Finance Act No. 38 of 1971.

The audit of financial statements of the Udarata Development Authority of Sri Lanka for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 25 of the Udarata Development Authority of Sri Lanka Act No.26 of 2005. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed Report in terms of Section 13(7) (a) of the Finance Act was furnished to the Chairman of the Authority on 12 July 2012.

1:2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit

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to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3 and 4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1:4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Udarata Development Authority of Sri Lanka as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

The following observations were made.

- (a) Five cheques valued at Rs.20,756,690 out of the sixteen cheques amounting to Rs.25,145,466 which were written in December 2011 but not issued even as at 28 February 2012 due to the non-supply of relevant goods had been cancelled. The value of such cheques had been included in the expenditure of the year, thus resulted in an overstatement in the expenditure of the year.
- (b) Despite a cash balance of Rs.53,513,844 received from the Treasury and the Ministry of Economic Development for the completion of development activities as at 31 December 2011, a sum of Rs.50,000,000 had been brought to account as receivables from Treasury for continuous work and liabilities. As a result, current assets (receivable funds) and accumulated fund had been overstated by the same amount.
- (c) The total value of 158 works amounting to Rs.32,478,637 which were expected to carry out during the year under review but no expenditure incurred thereon had been brought to account as the development expenditure of the year with the intention of carrying out those works during the following year.
- (d) Even though the two vehicles bearing numbers 56-6504 and 254-0401 had been received as donations from the Ministry of Economic Development, those had not been brought to account under the fixed assets and government grants.

2.2.2 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

<u>Reference to Laws, Rules, Regulations and Management Decisions</u>	<u>Non-compliance</u>
(a) Section 3(1) of the Sri Lanka Udarata Development Authority Act No. 26 of 2005	Even though the area of authority was extended to 08 districts, it had been restricted only to 05 Divisional Secretariat areas of Kandy district according to the plans implemented during the year under review.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka -----	
i. F.R. 237	Approval / Certification of payments should not be done without a certificate to the effect that the goods and services have been received. Nevertheless, cheques had been written in respect of 16 vouchers valued at Rs.23,345,466 without being approved and certified the payments, despite the non-receipt of goods concerned.
ii. F.R. 212 (2)	Even though salary advances can be paid subject to only 40 per cent limit of the monthly salary of an officer, salary advances ranging from 51 to 68 per cent of the salary had been paid to two officers.

2.2.3 Transactions not supported by Adequate Authority

A lease rent amounting to Rs.107, 500 recoverable from a lessee due to the close down of milk bar maintained at the University of Peradeniya, had been written off from the relevant debtors account while the approval of Board of Management had not been obtained in this connection. According to the reply of the Chairman, it was stated that legal action was being taken to recover such amount, thus it was confirmed that the write off from accounts as mentioned above is not an appropriate action.

2.2.4 Apparent Irregularities/Irregular Transactions

The following matters were observed.

- (a) Despite the requirement of 5100 plants identified under the DiviNeguma Domestic Economic Unit Project, 10,200 plants valued at Rs.306,000 had been purchased without a proper basis. Due to the lack of adequate space for the plants obtained in excess, those had to be distributed among the school teachers and students.
- (b) Despite the requirement of 3,024 chicks for the Animal Husbandry Programme in parallel with the Divi Neguma Development Programme, 6000 chicks had been ordered without a proper basis, thus 2,976 chicks valued at Rs. 892,800 had been obtained in excess. Even though those chicks were not received as at 31 December 2011, the total value of Rs.1,800,000 had been brought to account and written the cheques. Out of that, only 1616 chicks were received by April 2012.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Authority for the year ended 31 December 2011 had resulted in a surplus of Rs.5,679,287 as compared with the surplus of Rs.7,561,888 for the preceding year thus indicating a deterioration of

Rs.1,882,601 in the financial results of the year under review. Increase of development expenditure and expenses on personal emoluments and contractual services as compared with the preceding year had mainly affected the deterioration.

4. Operating Review

4.1 Performance

Even though 1147 development activities amounting to Rs.300 million had been estimated to carry out under 04 main sections during the year under review, only 70 per cent of the activities amounting to Rs.210 million had been completed. When taking in to consideration the matters in paragraph 2.2.1(a) of this report, the physical progress of the year under review was Rs.185 million and it represented 61 per cent.

4.2 Management Inefficiencies

The following observations were made.

- (a) Despite the action being taken to distribute turmeric and ginger recommended under the supervision of Extension Officers of the Department of Export Agriculture with the intention of promoting the cultivation of turmeric and ginger, 7027 kg of turmeric and ginger had been purchased at higher prices from a private nursery who was not registered at the Department of Agriculture without a recognized certification, thus the institution had suffered a loss of Rs.262,300. Further, 50 per cent of installments (granted under the Revolving Fund) recoverable to the Authority due to the reasons such as failures in germination, rot and subsequent destruction of most of the suckers purchased had not been properly recovered.
- (b) Two trade stalls belonging to the market complex in Kadugannawa had been leased out on the pretext of a Dairy Farmers Society and a Bees Control Society during the year under review while a refundable deposit of Rs.200,000 in respect

of those trade stalls had not been obtained. In further investigations, the Director had confirmed that such a Dairy Farmers Society was not registered under the Provincial Department of Animal Production.

4.3 Uneconomic Transactions

An expenditure of Rs.2,338,590 had been incurred for the supply of equipment required for beauty culture to the self-employees in 03 Divisional Secretariat areas under the Livelihood Development Project and quotations had been called from 04 institutions for the purchase of such equipment. Nevertheless, it was observed that the expected objectives of the project were not achieved due to the failure to pre-determine the specifications relating to the equipment to be purchased, purchase on the basis of 03 fraudulent prices submitted by a person, and confirmations made by the relevant beneficiaries that certain ornaments were not usable.

4.4 Deficiencies in the Contract Administration

- (a) According to the Supplementary to the Procurement Manual of 09 March 2011 which amended Section 3.9.1 of the Procurement Guidelines, contracts up to Rs.2 million could be awarded to a society selected and approved by a committee comprised of two representatives named by the Divisional Secretary and the Head of the Department without calling for tenders. Nevertheless, the contracts relating to the bridge at Wivala, Narangaspitiya and the bridge at Siththodaya with estimated values of Rs.13,894,175 and Rs.3,204,882 respectively had been awarded to two approved societies disregarding the above limit. Further, advances amounting to Rs. 2,135,894 and Rs.288,549 had been paid exceeding the maximum limit for advances of Rs.200,000 which could be granted to such societies without a bank guarantee in terms of Sub section 5.4.4(11) of the Guidelines.
- (b) The contract with an estimated value of Rs.1,015,944 for the construction of a plant sales center of 18'x25' within the premises of Peradeniya Botanical

Garden had been awarded to a private contractor without being vested in the relevant land and following the procurement procedure whereas a formal agreement was also not available. Contrary to the paragraph 5.4.4 of Procurement Guidelines-2006, 20 per cent of advances amounting to Rs.199,560 had been paid without obtaining a security. Overestimation of Rs.220,904 relating to 05 works had been made while payments for the work done had been suspended due to the completion of construction not complied with the standards and with an unsatisfactory finish.

- (c) In the work for the development of outer canal at Keheldeniya in Mapamadulla of Harispaththuwa Divisional Secretariat area, the concrete on the bottom of canal should be laid with a thickness of 06 inches. Nevertheless, a concrete of a thickness of 02 inches with a substandard mixture had been laid, while a sum of Rs.154,017 had been overpaid with regard to the work not done in this connection despite the poor condition of the concrete. Further, a sum of Rs.21,695 had been overpaid due to the overestimation made relating to the excavation work in the construction of canal.
- (d) An agreement for a sum of Rs.731,000 had been entered into for the development of canal at Yaya Kumbura, Poldeniya in Alawathugoda in the Akurana Divisional Secretariat area. Nevertheless, it was observed that the existence of canal would not be lasted for a long time due to the reasons such as planning the canal walls with a thickness of only 04 inches without an adequate thickness and strength for the capacity of canal, poor completion of canal side walls with lesser thickness, existence of places with uncovered tension steel wires, and thickness of less than 3.25 inches in certain places. Further, a sum of Rs.77,466 had been overpaid in respect of the work not done relating to the construction of the canal bottom.
- (e) Cancelled Works

Seven works commenced during the year under review at an estimated cost of Rs.1,398,699 were continued to the year 2012, while advances amounting to

Rs.43,620 had been paid in respect of two works out of the above. Subsequently, those seven works had been cancelled.

4.5 Staff Administration

Recruitments for the posts of Director Development and Engineering had been made without scrutinizing the required qualifications.

4.6 Utilization of Vehicles

- (a) Three old vehicles belonging to the institution had been lying idle at the office premises for over one year.
- (b) Running Charts of 15 vehicles relating to a period of 04 months from January 2012 up to April 2012 had not been presented to audit.

5. Accountability and Good Governance

5.1 Corporate Plan

Even though a Corporate Plan had been prepared for a period of five years from 2008-2012, it had not been timely reviewed and updated. Action had not been taken to carry out most of the activities targeted in the Corporate Plan.

5.2 Action Plan

Even though 1147 various works and activities valued at Rs.300 million which were based on Grama Niladhari Divisions had been included in the Action Plan, those had not been stated in detail indicating the estimated value of each work.

5.3 Internal Audit

An Internal Audit Unit had not been established in the institution.

5.4 Procurement Plan

Even though a Procurement Plan for the year was prepared, it had not been prepared in a realistic manner, while the plan had not been updated and made use of as an effective instrument of management control.

5.5 Budgetary Control

- (a) Provisions ranging from 16 to 99 per cent relating to 08 Recurrent Objects had been transferred to other Objects and due to the inadequacy of provisions of 08 Objects , provisions ranging from 38 to 312 per cent had been transferred from other Objects.
- (b) Savings ranging between 29 to 100 per cent of 06 Capital Objects amounted to Rs.123,522,256.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were pointed out by my reports from time to time. Special attention is needed in respect of the following areas of control.

- (a) Internal Audit
- (b) Implementation of Projects
- (c) Stores Control
- (d) Control over Vehicles
- (e) Payment of Salary Advances
- (f) Contract Administration
- (g) Maintenance of Books of Accounts

H.A.S. Samaraweera
Auditor General