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வருடாந்த அறிக்கை
Annual Report
2012









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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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வருடாந்த அறிக்கை

Annual Report

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Contents

Vision

Upcountry with Dignity and Prosperity.

Mission

Formulation of effective, social and economic development oriented programmes and implementation, coordination and monitoring them for the benefit of up country community.

Message from the Chairman

Udarata Development Authority of Sri Lanka established in terms of the Udarata Development Authority of Sri Lanka Act No. 26 of 2005 came into operation effective from March 2006. The main objective of our authority is to eliminate poverty and uplift the living standards of the residents living in the designated areas. Accordingly, it is our obligation to design various projects, implementation, coordination and monitoring of such projects with the objective of enhancing the social, economic and cultural development of the residents living in the areas coming under the purview of the authority.

The Authority which came into operation effective from the year 2006 subsequent to election of His Excellency the President, Mahinda Rajapaksa has launched and completed a large number of projects realizing the desired objectives for the wellbeing of residents living in upcountry areas. A special mention is required to be made with regard to the financial allocation of Rs. 1750 million released as per directives from His Excellency the President for the last 6 years for the implementation of the projects to fulfill the development needs of the residents living in the designated areas. We have taken action to convert Narangaspitiya village in Hataraliyadda Divisional Secretary Division as a model village under the guidance of Economic Development Minister Hon. Basil Rajapaksa in terms of the concept of setting up of prosperous villages as indicated in Mahinda Chintana vision for the future.

A vast development process has been launched as per the concept of His Excellency the President towards the development of infrastructure facilities of the people during the above period. Constructions of Viwala Bridge with access roads, Akurana Udveliketiya Bridge with access roads, Udunuwara-Horekote road have already been completed in an effort to overcome the transport difficulties of villagers in upcountry area. Community Centre Mawela, Kotmale, multipurpose building Thispane, multipurpose building, Mallanda Kotmale have also been completed and handed over to the relevant local bodies with the objective of uplift of social development of the people living in such areas.

In the meantime, public lavatories in Galagedera and Kadugannawa towns have also been constructed and handed over to the relevant local authorities an effort to improve the sanitary conditions. 414 families living in Hataraliyadda, Galagedera, Harispattuwa, Poojapitiya and Akurana Divisional Secretary area have been provided with sanitary facilities.

Various projects aimed at promoting the livelihood of the residents were given priority in the year 2012. Main focus was reflected on agriculture, 72 minor irrigation projects and 101 agri roads have been constructed for the cultivation of barren lands. Under the programme of cultivating the barren lands, we have contributed towards the boosting of National economy by increasing the paddy production and generating additional income thus. Arrangements have been made to cultivate the abandoned lands for want of water and the farmers have also been facilitated amply with the construction of agri roads in transporting their harvest. Several projects to improve the income generating sources and to enhance the nutrition levels of rural folk were also implemented. Under these programmes, livestock development distribution of cows to selected beneficiaries construction of cow houses training programmes and allocation of funds to step up the milk productions were carried out. In addition to the above programmes, goat rearing projects. Domestic poultry farming activities also were introduced. We were able to implement number of projects to enhance the livelihood development and infrastructure. Also one more aspect of our development activities was distribution of religious books and improvements to Dhamma schools were given priority in spiritual development. Computer training centers for the improvement of computer knowledge of rural children were also established in addition to the above programmes.

In the implementation of our various projects, the co-operation and assistance extended by the Hon. Minister, Economic Development, Basil Rajapaksa his staff, including the Secretary, staff of Udarata Development Authority, staff of the line ministries as well as the staff attached to the ministries Central Province are highly appreciated.

Amarananda Weerasinha,
Chairman.

Message from the Director General

The Udarata Development Authority of Sri Lanka which was established to accelerate the development process and create a sustainable progress for the people living in upcountry areas in their social and economic hardships faced during colonial administration could succeed in implementing several projects with the completion of 6 years by 2012. We achieved our goals by harnessing the resources available with the Authority and various other resources within the province in the implementation of projects with a clear vision and guidance.

In the implementation of various projects, our attention was focused mainly on issues affecting the people living in rural areas and action was taken to improve their livelihood.

In the implementation of development process priority was given for the development programmes envisaged in Divineguma the main development plan launched in the year 2012. Accordingly a number of projects identifies at rural level which are considered beneficial directly and indirectly for the improvement of livelihood development, social and economic development of the community were implemented successfully. Development of minor irrigation projects, construction of agri roads, poultry farming, goat rearing and cow milk production occupied a prominent place in the process.

We were also able to launch various projects toward the spiritual development. Improving performing art centers, leadership training programmes, attitude development programmes and livelihood development programmes were some of them.

We had the opportunity to inspect the projects launched in 2009 and 2010 that were not completed and to complete than during the year 2012.

Accordingly, the Udarata Development Authority has played a vital role in the year 2012 for the wellbeing of the community living within the designated areas coming under the purview of UDA.

S.M.S.P. Samarakoon,
Director General.

Introduction and historical background

With the invasion of upcountry by British rulers in the year 1815, the identity maintained and safeguarded by the community living in this area was threatened gradually. The course of action taken by the British rulers to suppress the insurrections in 1818 and 1848 and the policy adopted on land utilization in terms of the land ordinance, land development ordinance, Barren lands ordinance, the Act for preventing encroachment on lands, paved the way to ruin the self-sufficient economy pushing the community to abject poverty with the implementation of Barren Land Act. No. 5 of 1866, the people living in upcountry area was forced to produce land policies and other documents to prove their entitlements to such lands. With the implementation of provisions into his act, from the period, the coffee cultivation was affected the lands owned by the farmers who were unable to pay tax were acquired by the British rulers. The identity of upcountry residents and the upcountry areas were ignored and a separated administration set up was introduced.

The upcountry community who were deprived of their ancestral lands in this manner was encountered with severe hardships and suffered lot of setbacks socially, politically and economically. The first Prime Minister of Independent Sri Lanka Hon. D.S. Senanayaka appointed Upcountry Peasantry Rehabilitation Commission in January 1949 to look in to the social, economic and cultural situation of the upcountry community who suffered a lot under British rulers. Based on the recommendation made by this commission, the task of rehabilitation and empowerment of the community by eliminating poverty and improving the living standards safeguarding cultural identity was launched by this commission.

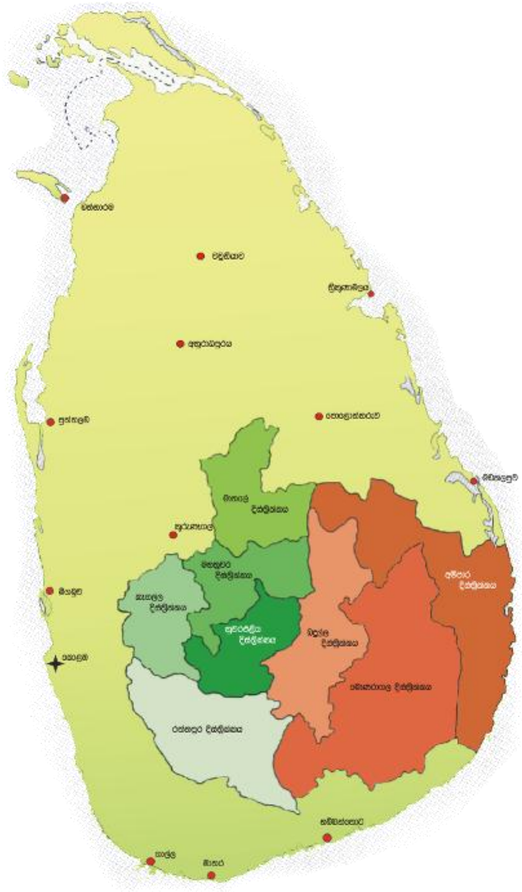
The co-coordinating officer appointed in the year 1958 was redesigned as Upcountry Peasantry Commissioner in 1964 and this commission had to function as a sub department under the ministry of Home Affairs. Subsequently this sub department was designated as a ‘C’ grade department. Thereafter, under the patronage then President Hon. R. Premadasa a separate ministry by the name of Upcountry Peasantry Rehabilitation Project Ministry was established under the Ministry of Land Irrigation and Mahaweli Development. In the year 1990 it was designated as a ‘B’ grade department by the name of Upcountry Peasantry Rehabilitation Department and preparation of projects and implementation of such projects were also initiated. In the year 1994, a presidential commission was appointed to look into the functions performed by the Upcountry Peasantry Commission during the year 1951 and prepare a study report. The commission's study report had revealed that even though, a large some of money had been spent for the development of infrastructure facilities, the livelihood development the main objective had been a myth.

The National Human Development Report issued by UNO in 1997, had indicated the poverty level in upcountry district had been exceeded even 50%. Also the poverty level of almost all the district exceeded 25%. The lowest human development index i.e. 0.649 had also been reported in the upcountry districts. (Central Lanka Development plan 1994). The JAICA report 1994 had indicated that the gross local production percentage is less than 33% in comparison to the overall average of the country. The lowest percentage had been reported from Monaragala and Kandy districts.

The statistics indicated above revealed the failure on the part of all the governments came into power within last 5 decades after the independence to eliminate poverty and rehabilitate the people in upcountry areas through the development projects implemented. Therefore the necessity of introducing strategies with a new approach for the purpose of developing the rural areas in upcountry areas was greatly felt. Accordingly, with the objective of achieving this goal, the Udarata Development Authority was established in terms of the parliamentary act No. 26 of 2005. Indentifying, formulation and co-ordination the implementation of development projects within upcountry areas were entrusted with the UDA in terms of the provisions of this act.

Accordingly, under the patronage of his Excellency the President Mahinda Rajapaska a large number of projects aimed at social, cultural and environmental development within upcountry areas have been implemented since 2006. With the objective of eliminating poverty and backward mentality of the community living in the rural areas, projects were designed and implemented under three (03) main aspects i.e. Livelihood development infrastructure development and spiritual development.

Area of Authority



S.No	Province	District
01	Central	Kandy
		Matale
		Nuwara Eliya
02	Sabaragamuwe	Kegalle
		Rathnapura
03	Uva	Badulla
		Monaragala
04	Eastern	Ampara Maha Oya, Padiyatalawa and Lahugala Divisional Secretariat Divisions.

Data Summary – Designated area

S.No	Province	District	No of DS Division	No of GSN Divisions
01	Central	Kandy	20	1,188
		Matale	11	545
		Nuwara Eliya	5	491
02	Sabaragamuwa	Kegalle	11	573
		Rathnapura	17	575
03	Uva	Badulla	15	567
		Moneragala	11	319
04	Eastern	Ampara	20	503
	Total		**110**	**4,761**

Out of the 20 DS Divisions in Ampara district, only 3 come under the UDA.

Designated Area

The following DS Divisions have been designated or development activities for 2009.

1. Hataraliyadda
2. Galagedera
3. Harispattuwa
4. Poojapitiya
5. Akurana

Preliminary Data – Designated areas

S.No	DS Division	Extent	No of divisions	.No of villages	Total population	No of families	No of Samurdhi beneficiaries
1	Hataraliyadda	**62.00**	**57**	**112**	**31650**	**9802**	**3400**
2	Galagedera	**54.00**	**67**	**141**	**39620**	**10548**	**3512**
3	Harispattuwa	**59.00**	**84**	**148**	**92007**	**23501**	**8043**
4	Poojapitiya	**50.40**	**67**	**120**	**62477**	**15285**	**5275**
5	Akurana	**31.30**	**35**	**113**	**66759**	**13491**	**5221**
	Total	**256.70**	**310**	**634**	**292513**	**72627**	**25451**

Details relevant to spiritual development activities

S.No	DS Division	Schools	Temples		Churches/Mosques		Kovils	Performing arts centre
		No of schools	No of temples	No of Dhamma Schools	Mosques	Churches		
1	Hataraliyadda	22	31	31	2	-	1	6
2	Galagedera	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	57	-	6	1
Total		**125**	**207**	**175**	**86**	**3**	**9**	**30**

Main fields of activities of UDA

Livelihood Development

Infrastructure Development

Spiritual Development

Board of Management

01. Introduction

The Board of Management is entrusted with taking all the decisions to implement the goals and objectives envisaged and management of functions in terms of section of Sri Lanka Udarata Development Authority Act.

02. In terms of section IV part 1 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 line Ministry who is in-Charge of the Udarata Development subject.

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

ii Appointed members – 5

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

3. Board of management membership - 2012

S. No	Name of member	Nature of membership Appointments	Date of	Date of Leaving
01	Mr. Amarananda Weerasinghe	Appointed Chairman/Board member	2008-12-31	-
02	Mr/ S.R. Karunaratna	Appointed member	2010-08-19	-
03	Mr. Asanka B. Dondanwela	Appointed member	2010-08-19	2012.01.09
04	Mr. Abdul Vahid Mohamed	Appointed member	2010-08-19	-
05	Mr. Wolter Ranasinghe	Appointed member	2010-09-15	-
06	Mrs. K.G. Wimalarathna	Ex-officio member	2010-09-15	-
07	Mr. H.G. Senevirathna	Appointed member	2012-07-16	-
08	Mr. S.S. Senadeera	Appointed member	2012-07-16	-

04. Powers vested with the Board of Management

In order to implement the goals and objectives, wide powers have been vested with the Board of Management in terms of section 4 of the Udarata Development Authority Act No. 26 of 2005. Accordingly the Board of Management approves and necessary action taken to identify, design impellent and co-ordinate various projects for the enhancement of social, economic, cultural and spiritual developments for the residents living in the area.

The Board of Management consists of 8 members appointed by the President. 3 members ex-officio and 5 members appointed. 3 ex-officio members include, the Secretary to the line ministry, an officer equal to the level of Deputy Secretary to the Treasury and an officer nominated by the Minister in-charge of the Secretary to be approved by the President.

05. Decisions taken by the Board during the year 2012

- Delegation of powers as per financial regulations
- Approval of development plan for 2012
- Approval of recurrent and capital expenditure including other revenue reports.
- Submission of marketing reports and profits and loss accounts statements relevant to Peradeniya seedling sales outlet.
- Recovery of revolving fund balances
- Completion of incomplete projects
- Implementation of development projects
- Appointment of procurement committee and Technical evaluation committee members for 2012
- Completion of continuing and contract projects
- Recruitments to the vacant posts

Goals and Objective

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

a) Plan and implement development projects 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 development plan for the designated area, on a priority basis.

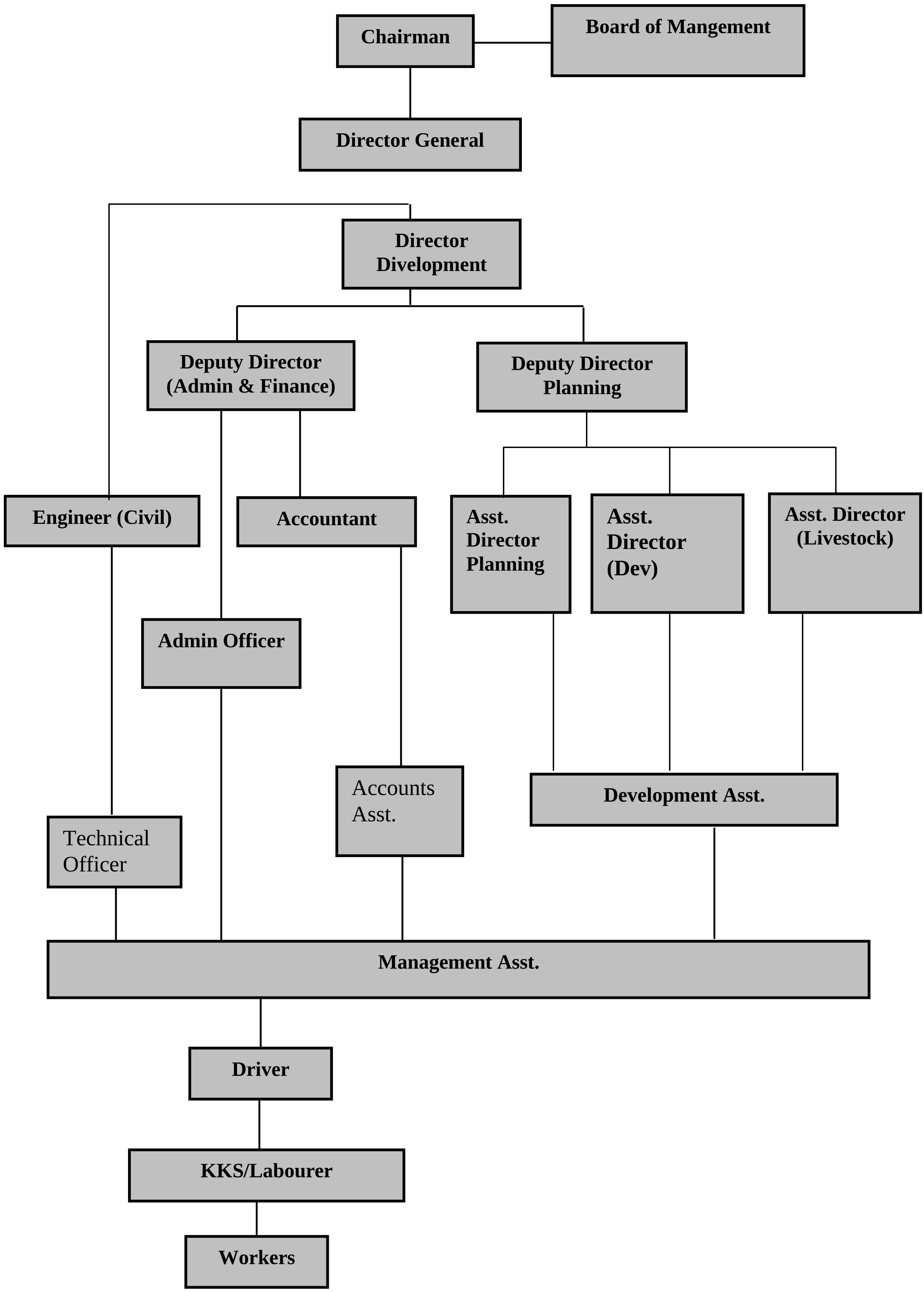
c) Identify groups of people handicapped due to historical, social and other factors and prepare proposals, raise funds and execute projects to uplift their social and economic conditions.

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



Staff Strength

The No of employees approved by management services dept. in 2006 is 33. However, approval was obtained in 2007 for recruitment of additional 17 employees. Accordingly the total staff strength in 2012 is 50.

S. No	Designation	Strength approved by MSD	Present Strength	Remarks
1	Director General	1	1	Resigned on 23-04-2012
2	Director (Dev.)	1	1	Terminated on 23-04-2012
3	Deputy Director (Admin & Finance)	1	1	-
4	Deputy Director (Planning)	1	1	-
5	Asst. Director (Planning)	2	1	-
6	Asst. Director (Dev)	2	0	-
7	Asst. Director (live stock)	1	1	-
8	Civil Engineer	1	0	-
9	Accountant	1	0	Under Interdiction
10	Admin. Officer	1	0	-
11	Accounts Asst.	1	1	-
12	Development Asst.	3	2	-
13	Technical Officer (gr1)	1	0	-
14	Technical Officer	4	3	-
15	Management Asst.	13	12	One under interdiction
16	Driver	8	8	-
17	KKS (I,II,III)	5	5	-
18	Office Labors	3	3	-
Total		**50**	**40**	

Admin Division

In terms of the powers vested by the act No. 26, of 2005, arrangements have been made during the year 2012 as well for the managements of human resources and physical resources.

Accordingly, the Admin division had taken required steps to enhance the knowledge and expenses of the staff.

The fleet of vehicles we had at the end of year 1201 was 12. With the addition of extra vehicles, out of which 7 vehicles belong to the UDA. With the transfer of Jeep No. 32-5451 of UN food and Agricultural Organization (FAO), the fleet of vehicles has now been increased to 08 at the end of 2012. It was the main function of the Admin Division to provide transport faculties to officers who are involved in monitoring as Gama Neguma Programme, development work carried out in 310 GS divisions and incomplete and complete projects functions.

Procurement plan and registration of suppliers for the year 2012 was carried out by the Admin Division, Materials and other resource required for the livelihood and spiritual development activities had been provided regularly. File list for the year 2012 was arranged.

Even though, training needs were planned, we had to suspend further action because of the forthcoming absorption of UDA to the Divinaguma Development Department. Board meetings were arranged.

During the year 2012, 10 board meetings were held and necessary approvals have been granted for the smooth functioning of all the sections in UDA. Such decisions taken by the Board of mgt are indicated below.

- Delegation of authority as per financial regulations for the implementation of development projects
- Development plan for 2012
- Recurrent and capital expenditure statements.
- Matters connected with the follow up action relevant to the incomplete projects.
- Recruitment of staff to complete continuing projects and other projects for which agreements signed

Arrangements or legal proceedings with the help of a panel of lawyers also was arranged by SLUDA.

Accordingly the Admin Division had contributed a lot directly towards the achieving of targets envisaged by providing the human and physical resources required for the implantation of projects.

Finance Division

Balance sheet as at 31.12.2012

	2012	**2011**
	Rs. Cents.	Rs. Cents.
Assets		
Value of property & equipment	26,091,594.53	28,566,391.59
Current Assets		
Stock	240,415.88	411,838.45
Fixed Deposits	8,177,224.21	5,863,157.13
Debtors	826,178.74	203,550.00
Deposit due		
	8,374,868.60	6,151,455.01
Revolving Funds due	1,444,210.42	
Advances - Contracts	41,263.78	
Cash Balance	32,000.00	55,000.00
Cash Balance - II	7,271,813.86	53,513,849.01
Depoists	472,340.31	953,829.51
Depoists Savings Assts.	1,601,728.93	
	-	
Cash in transit	500,000.00	
Total Assets	**55,073,639.26**	**146,834,761.07**
Current Liabilities		
Retentions	1,513,898.74	1,082,489.78
Gratuity allocations	2,432,882.15	895,152.50
Accrued expenditures	65,489.26	636,650.85
Debtors		
Retention Taxes	5,750.00	4,400.00
Continuing Payments	1,228,780.31	50,127,342.70
Deposits Payable	1,540,000.00	1,565,000.00
Deposits Employee Security	-	60,500.00
Allocations of audit fees	800,000.00	
Revolving funds payable	19,903.50	
Total liabilities	7,606,703.96	**54,371,535.83**
Net assets	**47,466,935.30**	
Claims and liabilities		
State Provision Accounts	26,306,684.12	28,944,324.92
Surplus/deficiency	21,160,251.18	63,518,900.32
	47,466,935.30	**92,463,225.24**

Statement of income and expenditure

	2012	2011
	Rs. Cents	Rs. Cents;
Receipt of funds		
Treasure – Receipt Capital	-	213,787,035.00
- Receipt Re-current	20,640,000.00	22,908,190.00
Various Income	2,263,667.64	1,338,661.85
State Provision Accounts	2,624,306.45	3,076,506.17
Revolving Funds	-	1,009,470.00
Total Receipt	**25,527,974.09**	**242,119,863.02**
Operational Expenditure		
Personnel Emoluments	16,628,868.94	15,491,867.68
Travelling Expenses	268,466.25	385,272.59
Supplies and others	1,673,141.86	1,591,099.62
Maintenance Cost	1,651,980.99	3,612,108.77
Contract Services	1,162,622.18	1,331,050.98
Depreciations	2,624,306.45	3,076,506.17
Other operational expenditure	5,926,224.80	3,072,808.46
Development costs	34,362,613.65	207,879,862.15
Total operational cost	**64,298,225.12**	**236,440,576.42**
Surplus/Deficiency - Operations	-38,770,251.03	5,679,286.60
Balance of payments	59,930,502.21	57,839,613.72
Total surplus/deficiency	**21,160,251.18**	**63,518,900.32**

The perusal of balance paper 2012 reveals the decrease of values of property, plants and machinery. Sale of assets amounting Rs. 118,703.00 and depreciation of 2.616 million rupees are reported to be the main reasons for the decrease. No fixed assets have been purchased during the year 2012. The fixed deposit maintained by the revolving fund at the end of 2011 was 5.83 million and it was reduced to Rs. 5.42 million as at 31-12-2012. Although a sum of 2.563 was deposited in this fixed deposit account during the year 2012, a sum of Rs. 3 million had to be withdrawn to cover the shortfall of recurrent expenditure during 2012 with the approval of the board of management.

Two fixed deposits could be opened up. One is for the payment of gratuity. One more fixed deposit was opened using the deposits collected from the owners of boutique rooms of Kadugamuwa market complex. Accordingly, the total value of all fixed deposits as at 31-12-2012 has been 8.177 millions.

Detail of fixed deposits are as follows.

	Rs. Million
Deposit originated from the revolving funds	- 5.426
Deposit originated from the rental deposits received from the Owners of the boutiques rooms Kadugannawe Market Complex	- 1.649
Grativity payment fix deposit	- 1.101

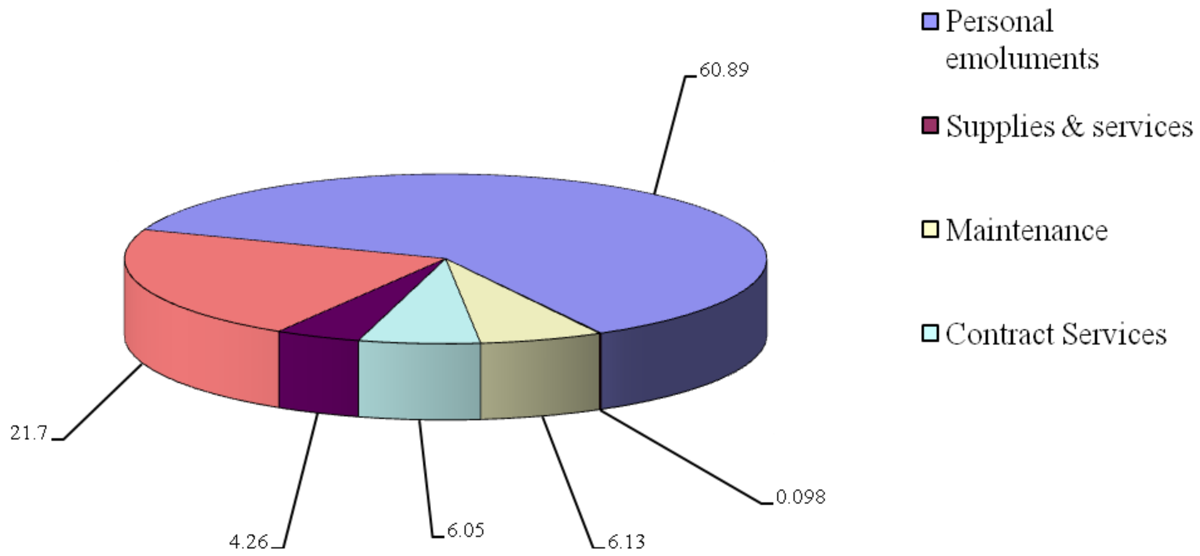
Recurrent expenditure

When compairing with the expenditure during 2011 an increase of Rs. 1.827 is indicated which is analyzed as follows.

Recurrent expenditure 2012 & 2011

S.No	Details	2012	%	2011	%
1	Personnel emoluments	16,628,868.94	60.89	15,491,867.68	60.79
2	.Travelling	268,466.25	0.98	385,272.59	1.51
3	Surplice and services	1,673,141.86	6.13	1,591,099.62	6.24
4	Maintenance	1,651,980.99	6.05	3,612,108.77	14.17
5	.Contract services	1,162,622.18	4.26	1,331,050.98	5.22
6	Other operational expenses	5,926,224.80	21.70	3,072,808.46	12.06
	Total	**27,311,305.02**	**100.00**	**25,484,208.10**	**100.00**

Recurrent expenditure 2012



Personnel emoluments have increased by 1.137 million when compared with that of 2011. Allocation of 1.537 million for the payment of gratuity reflects the increase. Due to non-implementation of development projects, the travelling expenses have been decreased. Increase in cost of items and service charges have reflected on supplies and services. When compared with 2011, the supplies and service charges have increased by 8242.00.

An increase of 2.853 million has shown in other operational expenses. Payment of Rs. 2.5 million as EPF contribution arrears caused the increase in other operational charges.

Although Rs. 22.9 was receiving in 2011 being imprest, it was 20.64 million in 2012. 9.9% as a percentage. The capital expenditure payment of 2012 was 50 million. UDA did not receive allocation for capital expenditure in 2012.

Income expenditure statement as at 31-12-2012 indicates only the expenditure incurred on projects and administrative functions for 2011. There were no project implementations during 2012.

Payments for incomplete and special projects were made form the finance balances remained as at 31-12-2011 and the incomplete projects details for 2012 are given below.

Incomplete Projects

S.No	Project	Amount
1	Construction of Vivala Bridge	4,399,124.35
2	Construction of Uduwa crematorium	60,000.00
3	Construction of Amunewala Bridge	9,472.23
4	Thanne Kumbura Bridge	2,063,787.30
5	Construction of Akurana Siththodaya Bridge	9,472.23
6	Construction of Horekota, Nagahamula Bridge	1,014,860.04
7	Construction of Horekote, Nagahamula Bridge	792,396.01
8	Construction of Mallanda Multipurpose building	845,086.42
9	Access roads to Viwala bridge	195,174.65
10	Mavela community centre	423,746.59
11	Access road to Amunewala Bridge	9,472.23
Total		**9,822,592.05**

Special Projects

S.No	Project	Amount
1	Construction of lavatories at Galadedera	1,298,879.34
2	Construction of lavatories at Kadugannawa	666,128.78
Total		**1,965,008.12**

Income for the year 2012 was Rs. 1.411 million. It was an increase of Rs. 0.437 when compared with 2011. The increase as a percentage was 44.82%. Boutique rentals calculated on accrued income.

Miscellaneous income 2012

S.No	Project	2012	2011
1	Rentals from Kadugannawa boutique rooms	573,600.00	528,200.00
2	Rentals form boutique rooms economic centre - Beragala	64,800.00	64,800.00
3	Rentals from milk centre - Akurane	8,800.00	44,400.00
4	Rentals from milk centre - Hataraliyadde	19,000.00	16,700.00
5	Rentals from milk centre, Rest Rooms-Belihuloya	19,100.00	17,532.12
6	Divineguma seedling sales outlet	135,615.38	77,695.00
7	Registration of suppliers	98,125.00	120,500.00
8	Non-refundable tender fees	18,500.00	-
9	By auctions	77,153.27	63,265.20
10	Old news paper sales	6,497.00	2,347.00
11	Retention money (contracts)	-	34,303.60
12	Fines	387,211.04	-
13	Other income	2,808.00	4,727.00
Total		**1,411,209.69**	**974,469.92**

Finance Division Duties 2012

- Amendments to expenditure votes as per FR 66
- Audit committee meetings (03)
- Code numbers implantation for income and expenditure
- Creating a fund for the payment of gratuity and opening up a fixed deposit. Opening up a fix deposits out of rentals collected from boutique rooms, Kadugannawa market complex.
- Accounts calculated on balances of revolving funds which had differences (Finance and development sections)

Development Division

The main task of this Division is to plan, implement, monitor and follow up action with regard to the projects such as infrastructure development boosting the economy of low income groups social and spiritual development and livelihood developments which are beneficial to the community living within the designated areas i.e. Hateraliyadda, Galagedara, Harispattuwa, Poojapitiya and Akurana. Since the implementation of the UDA in 2006 a large number of projects had been launched and the main role was undertaken by the development division.

The projects implemented for the benefit of the residents utilizing the human and physical resources during the last 6 years have reaped immense advantages. The development division is very much satisfied with the projects implemented for the wellbeing of the upcountry community, reducing the poverty level and boosting their economic, social and spiritual upheaval. In view of the forthcoming absorption of UDA into Divineguma Department, priority was given to complete the projects launched in the year 2011. Accordingly contract and continuing projects had to be completed along with the follow up action on agricultural livestock and rural small industries launched during last years. In addition to the above steps, action also was taken to recover the arrears of the projects implemented on the basis of recovering 50% launched for the period 2007-2011. It had been a main function of the division. A recap of main development functions is given below.

01. Infrastructure facilities

From the initial stages of the Authority he development of infrastructure facilities linked with promotion of rural agriculture. Food, security and rural agricultural economy were given priority. Improvements to minor irrigation projects and agri roads were carried out as main activities during 2011. Development division could succeed in completing the renovation of minor irrigations and improving the agri roads which had been continuing from the year 2011.

Contract projects launched in 2011 and continued up to 2012

S.No	Project	Divisional Secretariat Division	No of Projects	No completed
1	Renovation and improvement of minor irrigations	Hataraliyadda	6	6
2		Galagedera	12	11
3		Harispattuwa	8	8
4		Poojapitiya	2	2
5		Akurana	2	2
Sub Total			**30**	**29**
1	Agri road improvement	Hataraliyadda	11	11
2		Galagedera	23	18
3		Poojapitiya	8	8
4		Akurana	4	4
Sub Total			**46**	**41**
Grand Total			**76**	**70**

Continuing projects from 2011 to 2012

S.No	Project	Divisional Secretariat Division	No of Projects	No completed
1	Renovation and improvement of minor irrigations	Hataraliyadda	4	2
2		Galagedera	8	5
3		Harispattuwa	22	10
4		Poojapitiya	31	20
5		Akurana	9	6
Sub Total			**74**	**43**
1	Agri road improvement	Hataraliyadda	14	8
2		Galagedera	49	37
3		Harispattuwa	5	3
4		Poojapitiya	7	5
5		Akurana	11	7
Sub Total			**86**	**60**
Grand Total			**160**	**103**

Few minor irrigations improved

Retaining Wall – Kumbuka Paddy Field

Construction or irrigation canal-Aralupota- Harispaththuwa

Canal bund renovation Vinguhumpola Galamuna Field Harispattuwa

Construction of kohowiladeniya Anicut - Galagedera

Agri Roads

Agri Road Eramudugoda, Haloluwa and bridge

Agri road – Aswedduma, Harispattuwa

Moragolla Agri Road - Galagedara

Iriweriya anga Agri Road - Galagedara

02. Livelihood Development

It is the intention His Excellency the President to eliminate poverty by 2015. In realizing this intention, livelihood development projects have to accomplish a prominent role. Accordingly, Udarata Development Authority has been implementing a number of projects for generating income sources, elimination of poverty and promotion of living standards since the year 2006.

The UDA did not implement new projects utilizing the financial provisions received for 2012. However follow up action was taken reviewing the position with regard to the projects launched during last years for the promotion of the production of items and services ensuring their quality and quantity. Under this follow up.

- Direction of saffron and ginger growers in Galagedera, Harispattuwa, Poojapitiya and Akuraa to promote and increase the production and quality of such cultivations.

- In an effort to ensure the realization of concept on ‘Fauna on flora’ enlightened in Mahinda Chinthana vision for the future, follow up action was taken to improve the school environmental programmes and Ayrvedic items cultivation gardens in Hatraliyadda, Galagedera, Harispattuwa, Poojapitiya and Akurana areas during the year 2011. Also ensured the school and community level contribution towards this goal within the designated area.

- Monitoring and conducting of training sessions relevant to bee-keeping activities launched during 2011 in Hataraliyadda, Galagedara, Harispattuwa, Poojapitiya and Akurana areas. Those engaged in bee-keeping were encouraged to promote it as a income generating source supplying local pure bee honey to the market.

- Steps taken to promote agricultural production continuously such as export agricultural crops, home gardening, fruits cultivation encouraging those engaged in such cultivations. Our efforts were helpful to promote the standards increasing the quality and quantity.

Monitoring school environmental programme
Sangarajapura M.V. - Hataraliyaddha

- Various items and instruments distributed to those engage in livelihood projects such as beautification and hairdressing activities were supervised and monitored to make such projects popular as extra income sources for the house wives. Efforts also taken to promote such self employment projects in the area.

- Recovery of revolving funds installments relevant to the projects launched during period 2007-2011.
- Sale of various seedlings at Divinaguma seedlings sales outlet maintained at Peradeniya Botanical garden premises was carried out continuous fruit seedlings, vegetable seedlings, export crop seedlings. Medicinal herbs, agri crop seedlings were sold at reasonable prices and extra income could be earned.

03. Spiritual and social development

Above programmes were conducted throughout 310 grama seva divisions in 5 Divisional Secretary Divisions during last 6 years utilizing the financial provisions allocated for the year 2011, UDA could promote Dhamma School sanitary facilities performing art centers, maternity clinics, as well as the conducting of IT seminars for the improvement of IT knowledge. Several such projects are given below.

❖ Programmes conducted to improve Dhamma Schools

In order to improve Dhamma Schools during 2012, allocations set apart for 2011 could be utilized. Furniture, filling cabinets, black boards, and items required to maintain sanitary facilities white boards were distributed among 168 Dhamma Schools and 11 Islam Dhamma Schools within the five districts, with the collaboration of respective Pradeshiya Sabhas, eliminating the dearth of physical source experienced for several years. Also it was possible to create an environment friendly condition within the religious places. The following table indicates the details.

Dhamma Schools Development Project

S.No	DS Division	No of Buddhist Dhamma Schools	No of schools for which equipments given		No of equipments given									
			Buddhist	Muslim	Desks	Benches	Blackboards	Library Cabinet	Filing Cabinets	White Boards	Child Office Tables	Children Chairs	Teachers Tables	Roofing Sheets
1	Hataraliyadda	31	24	2	373	38	28	9		62				
2	.Galagedera	28	26	1	241	241	29	-	32	51	60	30	20	20
3	Harispattuwa	57	57	2	597	567	51	-	37	205	-	-	1	-
4	Poojapitiya	44	44	0	421	411	36	-	-	62	-	12	-	-
5	Akurana	17	17	6	196	126	12	1	27	36	1		-	-
Total		**177**	**168**	**11**	**1828**	**1383**	**156**	**10**	**96**	**416**	**61**	**42**	**21**	**20**

Distribution of Items

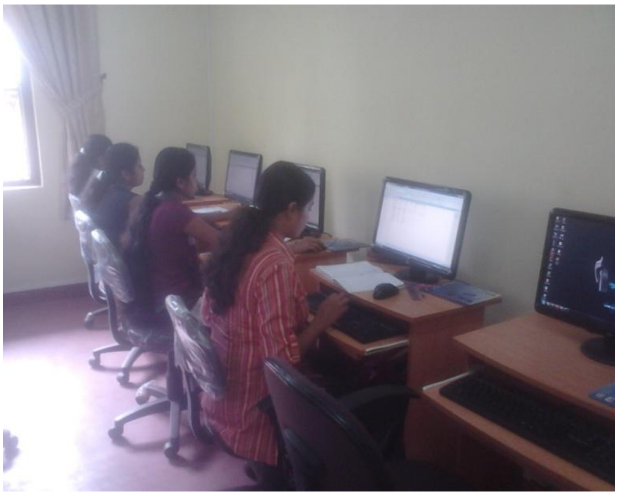
IT projects launched to promote IT skills

The UDA has utilized the funds allocated for the year 2011 to improve the IT skills of children and youths living in the designated districts. Programmes launched are given below.

- A computer centre equipped with all the facilities was set up at Hataraliyaddha divisional secretariat area at a cost of 1,227,130.oo. 10 Nos desktops 03 Nos laptops, 10 ups, 1 laser printer, 1 scanner, 1 multimedia projector, 1 digital camera, 10 computer tables and 10 computer chairs were provided at this centre.
- IT Centre for Galagedera area also was opened of a cost of Rs. 1,377,073.00. For the efficient functioning of the centre, 10 workshops, 3 laptops, 1 No white board, 1 No steel cupboard, 10 conference chairs, 1 filing cabinet, 2 executive tables, 2 executive chairs, 10 computer tables, 10 computer chairs, 1 No digital camera, 1 No multimedia projector, 1 No scanner, 1 No laser printer, 10 Nos UPS were made available.
- In order to develop the educational standards of the Poojapitiya IT Centre, a sum of Rs. 1,218,080.00 was spent for purchasing required computer items. 10 Nos desktops, 10 Nos UPS, 01 Nos Laptops, 01 No Multimedia projector, 4 Nos Lazer Printers, 1 No Scanner, 1 No. Digital camera, 10 Nos table sand 10 Nos Chairs. Youths and school leavers living in, Hataraliyadda, Poojapitiya and

Galagedera areas were given the opportunity to improve their IT knowledge accordingly.


IT Training Centre – Galagedera




IT Training Centre – Hataraliyadda

Improvement of Sanitation Facilities

- With the objective of improving the sanitary conditions of people living in Harispattuwa, Poojapitiya and Akurana areas, awareness programmes were conducted associated with the Gramaseva Niladharis, Samurdhi officers and family health officers. In these programmes, residents were made aware of the infectious diseases like Dengue and good sanitation habits. The officers who attended the seminar are in charge of 413 families. The financial allocations set apart for 2011 had to be spent on these projects launched during 2012.

- A sum of Rs. 1,635,166.00 was spent for the distribution of 650 cement bags (130 families), 14,300 cement blocks, 390 roofing sheets, and 130 squatting fans among the residents in Harispattuwa divisional secretariat areas.
- A sum of Rs. 1,597,431.00 had to be spent for the distribution of 635 cement bags (127 families), 13,970 cement blocks, and 381 roofing sheets. 127 squatting fans among the residents in Poojapitiya areas.
- A sum of Rs. 1,962,188.29 was spent for the distribution of 780 cement bags (families 156), 17,160 cement blocks, 468 roofing sheets, 156 squatting fans among the residents in Akurana areas.

Improvement to Maternity Clinics

A sum of Rs. 689,348.55 and a sum of Rs. 126.000 were spent for improving the standards of Aludeniya Maternity Clinics and purchasing of 36 Nos of chairs respectively under the programme of improving the continuing maternity clinics in the year 2011.

Improvements to traditional performing art centers

- Udarata Development Authority took a keen interest in improving the traditional performing arts in upcountry which is considered to be a great heritage. The programmes under taken during the year 2011 could be completed in 2012. Under this programme a sum of Rs. 776,095.00 was spent for the purchase and distribution. The cultural officers performing art centers provided with such facilities within the Hataraliyadda, Galagedera, Harispattuwa, Akurana and Poojapitiya areas. Our intention was to safeguard the traditional performing arts for the future generation and the improvement of traditional performing arts.


Performing Art Centre Harispattuwa


Pradeepa Dancing Centre Galagedera

Livestock Development Programme

The UDA is due to be absorbed into the Divineguma Department. The projects launched after appointing an Asst. Director (Livestock) 19-09-2011 were monitored and follow up action taken to improve them further during the year 2012.

The institutes undertaken to supply, milk cows, goats and chickens had failed to supply them within the specified time limits and distribution of them could be completed within the year 2012.

S.No	Materials/Animals	Quantity
01	Milk Cows	52
02	Goats	165
03	Chickens	3024

Distribution of milk cows among the selected beneficiaries.

Distribution of goats among the selected beneficiaries.

In addition containers with a capacity of 10 liters were also handed over to cow milk producers were also handed over to the cow milk producers to carry their milk in high sanitary conditions.

Each beneficiary was given with a female milk cow and three goats (01 male/02 female) Reach house hold was given 12 chickens.

S.No	Animals/ Items	D. S. Divisions				
		Hatharaliyadda	Galagedara	Harispattuwa	Poojapitiya	Akurana
01	Milk Cows	13	09	08	11	11
02	Goats	30	42	30	24	39
03	Chickens	348	924	468	312	972
04	Containers	13	09	08	11	11

Milk cow projects and goat rearing projects including the cattle houses were implemented from the funds obtained from the revolving funds. Poultry Projects and distribution of containers were continued free of charge.

Present progress of milk cow project

Present progress of goat rearing project

Present progress of poultry farming project

Engineering Division

Preparing of estimates, technical documents, technical evaluations and monitoring of standers, inspection of sites and recommending bills relevant to the projects implemented in construction fields.

Projects implemented during 2012

The details of 340 minor irrigation projects and 337 agri roads undertaken in 2011 completed in 2012 are given below. The inspection of construction standards, preparation of final bills and recommendation were carried out by the Eng. Division.

DS Davison	Continuing Projects		Contract Projects	
	Agri-roads	Irrigation	Agri-roads.	Irrigation
Hatharaliyadda	14	04	11	06
Thumpane	49	08	23	12
Harispattuwa	05	22	-	08
Poojapitiya	07	31	08	02
Akurana	11	09	04	02

Incomplete Projects

Several projects launched in 2006, 2007 and 2008 which were not completed, could be compted in 2011 under the concept of completion of incomplete projects under the concept of his excellency the President with the collaboration of local politicians and at the requests community. The projects not completed due to the adverse weather conditions and practical difficulties (07 Nos) could also be completed in 2012. Accordingly, UDA could complete during this year giving lot of benefits to the community and making a great contribution towards the development of the country.

01. Construction of Narangaspitiya Viwala Bridge - Hataraliyaddha

The Rambukkan Oya which flows through remote areas such as Narangaspitiya, Akkarawatta, Dehittemada, Veewala and Welgama had pushed those villages into a solitary state for a long time. The efforts made by the villagers to construct a bridge had been failed. A number of students and villagers who were crossing the Oya had faced with accidents too. Though the construction was commenced in 2009, it had been suspended the sometime from 2012 due to various difficulties. The estimated cost of construction was 13.89 millions. About 2689 residents who were benefitted. However, the requests made by he political authority and residents, the existing access roads also had to be constructed. The entire constructions could not be completed in 2012. 12% of the constructions have million has been invested and this work is to be handed Thumpane Pradeshiya Sabah. The difficulties faced by the community for long time could to be eliminated with the construction.

Viwala Bridge – Hatara Liyaddha

02. Access road to Vivala Bridge – Hataraliyaddha

With the construction of the bridge, the local political authority and the residents had requested to construct the access roads too. Considering the necessity for the benefit of the residents the access roads were constructed widening the narrow roads. Land required providing the access roads were given by the residents voluntarily. The narrow road was widened the narrow roads. Land required providing the access roads were given by the residents voluntarily. The narrow road was widened up to 12-14 feet. Road is 235 meters in length and 2 meters in width. Estimated cost for the construction was 183 millions. Cost of civil work was 165 M. It will be possible to hand over it to the Thumpane Pradeshiya Sabah shortly. By developing the daily transport requirements of the residents, the people were given the opportunity to enjoy lot of benefits.

3. Development of Horekote road

Although constructions were commenced during 2008 by spending provisions allocated for that year, it had not been completed. Thereafter under the programme to complete the incomplete projects, constructions recommenced in 2012 and completed by now. Estimated cost is 0.97 million and 0/97 millions had to be spent during this year. Due to the completion of this project, 620 agricultural beneficiaries assisted to transport their produce to the market place without much difficulty. Also, the visitors to historical Lankathilaka Vihara were facilitated to reach the site comfortably. Hence, the constructions of this nature have helped immensely towards the developing of transport facilities in the area. The bridge is due to be handed over to Udunuwara Pradeshiya Sabah in February 2013.

4. Completion of Thispane multipurpose building

The constructions launched during the year 2007. Building is located at Harangala Gramaseva Division of Kotmale Divisional Secretary area in Nuwara Eliya District. However construction recommenced in 2011 and it was not possible to complete it even in that year. But we were able to get the constructions completed in the year 2012. The estimated cost is 1.19 million. A computer training centre and a public library are maintained in this building for the benefit of the school children and youths residing in the area. It has been beneficial for the spiritual development of the people residing in the area. Building is due to be handed over to Kotmale Divisional Secretary in 2013.

Previous Look

Present Look

6. **Mavela Community Centre – Kotmale**

The building site is located at Mavela as Division in Kotmale Divisional Secretary area of Nuwara Eliya district. Constructing had been launched previously and it was not possible to complete it even during the year 2011 due to adverse weather conditions. However, UDA could get the constructions completed in 2012 with water and toilet facilities. A parapet wall also was built around the building about 950 families in the area now in a position to make use of this building to hold their meetings and discussions. Pre-school children are also immensely benefitted. Estimated cost is 1-30 millions. It is due to be handed over to Kotmale Divisional Secretary shortly.

Previous Look

Present Look

7. Completion of Mallanda multipurpose building Kotmale

The building is situated at Mallanda Grama Seva Division in Kotmale Divisional Secretary Division in Nuwara Eliya district. The constructions were recommenced in 2011 under the programme to complete, incomplete projects. All the construction could be completed in 2012 and due to be handed over to Kotmale Division Secretary shortly. Although, it was estimated to complete at a cost of Rs. 1.04 M, further sum of 0.82 had to be spent in this year. The building is beneficial for the community to meet and discuss the community problems to enhance the activities of the village. Samurdhi Office, GS office and Family Health Officer’s Office are maintained in this building.

Previous Look

Present Look

8. Construction of Siththodaya Bridge and concrete lying of access road – Akurana

This project was commenced in 2008 under Gama Neguma Programme. Construction recommenced in 2011. Estimated cost 3.20 M. By 2011, 35% of the work had been completed with the parapet wall and access road. The committee appointed (Charter Engineers included) to inspect the constructions revealed that the foundations were not up to the required standard. Thereafter new estimates the Road Development Authority (RDA) and it was not possible to complete the constructions during 2012. However constructions are due to be completed during 2013 paving the way for the community to reach the religious places as well as the other destinations.
Implementation of special projects

Special Project Implementation

1. Public lavatory system – Galagedera

   The public lavatory system in Galagedera Town was a long felt need. Main bus-stand, hospital, court, Divisional Secretariat, schools, market and many other government officers are within the town. Therefore, this system was very much useful for the people visiting the town for their day to day requirements. Earlier toilets were in a dilapidated condition and people were highly inconvenienced. Due to the requests from the political authority and the community the constructions were carried out all the facilities required. It was completed within a period of 3 months at a cost of Rs. 1.28 million and handed over to Thumpane Pradeshiya Sabah. The UDA is very much happy for their ability to provide the toilets," providing better sanitary facilities to the people visiting the town.

Previous Look

Present Look

2. Public lavatory system – Kadugannawa Town

A public lavatory system to Kadugannawa to the access point to the upcountry was a long felt need. For want of better toilet facilities in the town, people and tourists visiting the town had to undergo immense difficulties. Accordingly at the request of people and the political authority, arrangements were made by the UDA to provide sanitation 2.45 million and we could complete the construction in 2012. Toilets are equipped with all the modern requirements which are considered to be necessary for the disabled and the tourists. In order to maintain the toilets properly, it was handed over to the Kadugannawa Municipal Council in January 2013.

Kadugannawa Public Lavorary System

Auditor General's Report

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கணக்காய்வாளர் தலைமை அதிபதித் திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல / My No. CL/KD/H/UDA/2012-FA 2013/55
ඔබේ අංකය / உமது இல / No.
දිනය / திகதி / Date 23 January 2014

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 2012 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 2012 comprising the balance sheet as at 31 December 2012 and the statement of income and expenditure 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 26 August 2013.

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.

අංක 306/72 පොල්දුව පාර, බත්තරමුල්ල , ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை இலங்கை
No.306/72, Polduwa Road, Battaramulla , Sri Lanka
දුරකථනය / தொலைபேசி / Telephone. 011-2887028-34
ෆැක්ස් අංකය / பக்ஸ் இல / Fax No. 011-2887223
ඉලෙක්ට්‍රොනික් තැපැල් / ஈ- மெயில் / E-mail. oaggov@sltnet.lk

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 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 judgment, 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 powers 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 qualified audit opinion.

1:4 Basis for Qualified Audit 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 2012 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 Best Accounting Practices

A motor vehicle with an assessed value of Rs.500,000 as at 31 December 2012, received as a donation from the Ministry of Policy Planning and Implementation on 06 August 2006 which should have been brought to account under the motor vehicles and the Government grants according to best accounting practices had not been so brought to account.

2:2:2 Accounting Deficiencies

The following deficiencies were observed.

(a) A sum of Rs.113,977 spent on 25 August 2008 for carrying out repairs to a motor vehicle of the Authority had been brought to account as Property, Plant and Equipment and as such the value of Property, Plant and Equipment had been overstated by that amount.

(b) The receivable balance of Revolving Fund amounting to Rs.6,382,743 shown in the financial statements as at 31 December 2010 had converted to a balance of Rs.8,535,592 as at 31 December 2012 due to the adjustments made for transactions in the years 2001 and 2012. Nevertheless, that balance had been shown in the financial statements for the year under review as Rs.8,374,868, thus resulting in an understatement of Rs.160,724.

(c) The balance of the fixed deposits amounting to Rs.8,177,224 shown in the balance sheet included a fixed deposit of Rs.501,115 made on 15 January 2013. As such the value of fixed deposits had been overstated by that amount.

2:2:3 Lack of Evidence for Audit

The confirmation of balances required for confirmation of the sum of Rs.8,374,868 receivable from the beneficiaries to the Revolving Fund had not been furnished to audit.

2:2:4 Non-compliance with Laws, Rules, Regulations and Management Decisions

According to the Financial Regulation 882, an officer appointed to act in a post for which security deposits should be made in terms of the Public Officers Security Ordinance, should consider that he is permanently appointed to that post and furnish security deposits. Nevertheless, two officers appointed to act had not furnished security totalling Rs.30,000.

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the operations of the Authority for the year ended 31 December 2012 had resulted in a deficit of Rs.38,770,251 as against the surplus of Rs. 5,679,287 for the preceding year, thus indicating a deterioration of Rs.44,449,538 in the financial results for the year under review. The imprests exceeding the performance requirements of the preceding year obtained from the Treasury and the non-receipt of adequate imprests for the development works of the year under review had been the main reasons for the deterioration.

3:2 **Analytical Financial Review**

The net current assets of the Authority for the year under review had decreased by Rs.42.4 million or 66 per cent and the net assets had decreased by Rs.44.9 million or 49 per cent as compared with the preceding year. The balance of the Accumulated Fund as at the date of the balance sheet as well had decreased by Rs.38.7 million or 65 per cent. The execution of development works amounting to Rs.34,362,613 despite the non-receipt of capital provisions for the year under review had been the main reason for occurrence of such financial results.

4. **Operating Review**

4:1 **Performance**

The following observations are made.

(a) Estimates amounting to Rs.50.1 million had been made in the year under review for the execution of 227 units of development works contracted and continued under 03 main divisions in the preceding year. Out of the estimated expenditure a sum of Rs.30.34 million or 61 per cent only had been utilized in the year under review. In addition, works valued at Rs.34,362,614 not planned in the year under review had been executed.

(b) Latrine equipment valued at Rs.5,194,796 had been purchased and distributed under the Livelihood and Spiritual Accelerated Development Project among 413 beneficiaries selected from 03 Divisions of Divisional Secretariats. A test check of 26 beneficiaries carried out in this connection revealed that only two latrines had been constructed and that represented about 8 per cent. As such 24 sets of latrine equipment valued at Rs.301,872 at the rate of Rs.12,578 per person had not been utilized while certain beneficiaries who had not constructed latrines had sold those materials. Therefore, it was observed that an effective performance had not been achieved through the Project.

(c) Under the Revolving Fund Programme of the Livelihood Development (Animal Husbandry) Project of the year 2011, fifty two milk cows had been supplied to the beneficiaries selected in the year under review for the Animal Husbandry (Cattle) Project and before the elapse of one year after the supply 06 cows had died due to various reasons. The insurance indemnity received by the Authority for the sum of Rs.507,291 spent on the dead cows and the related cattle sheds amounted only to Rs.40,000.

(d) A milk stall had been run in the premises of the Divisional Secretariat, Akurana for about 20 months from 01 January 2010 at a cost of Rs.587,427 utilizing the provisions of the Jathika Saviya and Gama Neguma Livelihood Development Programme for the years 2008/2009 under the National Programme for Popularizing Drinking of Fresh Milk. The stall had been closed down on 30 September 2011 and the building together with its equipment had been handed over to the Divisional Secretary. The building and the equipment had been idling from that date up to 30 April 2013.

4:2 Management Inefficiencies

A surcharge of Rs.848,429 had been paid due to the failure to pay the contributions to the Employees' Provident Fund in respect of the period from November 2007 to July 2011 on the due dates. The surcharge had not been recovered from the officers responsible.

4:3 Staff Administration

The following observations are made.

(a) An officer who had not fulfilled the qualifications required for recruitment to the post of Deputy Director (Control and Finance) of the Authority had been promoted to that post with effect from 07 November 2012 and had been paid a sum of Rs.368,203 as salary and allowance for the period from that date to 31 May 2013.

(b) The approved cadre of 18 posts of the Authority had been 50 and 49 persons comprising 40 employees on permanent basis, 04 on contract basis, 03 employees on daily basis and 02 employees purchase of services had been deployed in those posts.

4:4 Utilization of Motor Vehicles

Three motor vehicles of the Authority had been idling from the year 2011 to the year under review.

5. Accountability and Good Governance

5:1 Financial Statements

The financial statements prepared by the Authority had not been submitted to the Board of Management for approval even by 19 July 2013, the date of audit. The financial statements from the inception of the Authority in the year 2006 up to the year under review had been presented for audit without being reviewed and approved by the Board of Management.

5:2 Corporate Plan

Even though the Authority had prepared a Corporate Plan containing 95 sub-work units for a period of 5 years from the year 2008 to the year 2012, that plan had not been reviewed and updated on a timely basis. Out of the targeted activities of the Corporate Plan, only 19 sub-work units or 20 per cent had been executed. As such 76 sub-work units or 80 per cent had not been executed.

5:3 Internal Audit

An Internal Audit Unit had not been established in terms of Financial Regulation 133.

5:4 Procurement Plan

The Procurement Plan prepared for the year under review had not been prepared realistically. Action had not been taken either for updating the plan or to make use of it as an instrument of control.

5:5 Variance between the Budget Estimate and Actual Expenditure

(a) In view of the inadequacy of provisions under 09 Recurrent Objects, provisions amounting to Rs.1,574,552 ranging from 19 per cent to 257 per cent had been transferred to those Objects from other Objects.

(b) Provisions amounting to Rs.1,608,756 had been saved in 11 Objects and those savings ranging from 11 per cent to 100 per cent had been transferred to other Objects.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit inspections were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the following areas of control.

(a) Implementation of Projects
(b) Revolving Fund Programme
(c) Contract Administration
(d) Objective based direction of the Livelihood Development Projects
(e) Accounting

H.A.S. Samaraweera
Auditor General

-/dk.