

APPROPRIATION HEAD-267

DISTRICT SECRETARIAT MULLAITIVU

Auditor General Report Year 2012

1.1 Key Activities of the District Secretariat.

- i. To implement the citizens charter fully in best way in the district and divisions
- ii. To be a leader in coordinating the administration and development in the district
- iii. To implement government policies and the administration structures in a better way to enhance the productivity and quality in the public service at the district level.
- iv. To establish transparent, impartial and accountable public service.
- v. To strengthen the capacity of the staff.
- vi. To improve financial management system in the District Secretariat and Divisional secretariats.
- vii. To enhance an efficient and effective district and Divisional public administration system.
- viii. To provide efficient service delivery to satisfy the needs of the public in the district.
- ix. Introduce entire services with modern IT to improve productivity and quality government services.
- x. To Measure key financial indicators.
- xi. To perform functions delegated by the ministries.
- xii. To conduct state ceremonies in the district and divisions.
- xiii. To coordinate, monitor and review the progress of the foreign funded Projects at the district level.
- xiv. To prepare preplanning activities to meet the risk management and disasters.
- xv. To ensure proper utilization of resources.

1.2 Divisional Secretariats under the District Secretariat.

- (a) Maritimepattu
- (b) Oddusuddan
- (c) Manthai East
- (d) Thunukkai
- (e) Puthukudiyiruppu

1.3 Scope of Audit

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records and the Revenue Account of the District Secretariat Mullaitivu for the year ended 31 December 2012 was audited in pursuance of provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the District Secretary on 19 July 2013. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and the reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide as audit coverage as possible within the limitations of staff, other resources and time available to me.

1.4 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and the Reconciliation Statements.

The Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions of Articles 148,149,150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements, whether due to fraud or error.

1.5 Audit Observations

According to the Financial Accounts and the Books of the District Secretariat for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) to (e) and the other major audit observations appearing in paragraphs 1.6 to 1.10 herein the Appropriation Account and the Reconciliation Statements of the District Secretariat, Mullaitivu have been prepared satisfactorily.

(a) Appropriation Account

Total Provision and Expenditure

The total Net provision made for the District Secretariat, Mullaitivu amounted to Rs.160, 677,000 and out of that a sum of Rs.147,224,619 had been utilized by the end of the year under review. Thus the net savings of Rs.13,452,381 representing 8.37 per cent of the total net provision. Details appear below.

Expenditure	Estimated Provision As at 31 December 2012	Net Provision As at 31 December 2012	Utilization As at 31 December 2012	Savings As at 31 December 2012	Saving as a percentage of total Net Provision
	Rs	Rs.	Rs.	Rs.	%
Recurrent	109,450,000	113,177,000	104,754,211	8,422,789	7.44
Capital	47,500,000	47,500,000	42,470,408	5,029,592	10.59
Total	<u>156,950,000</u>	<u>160,677,000</u>	<u>147,224,619</u>	<u>13,452,381</u>	8.37

Classification errors

Capital expenditure amounting to Rs. 1,951,321 had been erroneously classified in sixteen instances and brought to account under various object codes of recurrent expenditure

(b) **Revenue Account**

Estimated and Actual Revenue

Revenue amounting to Rs 2.06 million had been estimated for 07 Revenue Codes for the year 2012 by the District Secretariat while revenue amounting to Rs 21.07 million had been collected. Out of the estimated revenue, no revenue had been collected for 03 Revenue Codes while the revenue ranged between 27 per cent and 545 per cent had been collected from other Revenue Codes. Details are given below.

Revenue Code	Estimated Revenue Rs	Actual Revenue Rs	(Under)/Over Collection Rs	Percentage
10.03-07-03	-	70,302	70,302	
10.03-07-05	10,000	7,319	(2,681)	27
10.03-07-99	-	1,092	1,092	
20.02-01-01	-	191,535	191,535	
20.03-01-00	100,000	-	(100,000)	-
20.02-02-99	800,000	1,304,756	504,756	63
20.03-02-06		79,150	79,150	
20.03-02-07	-	181,000	181,000	-

20.03-02-13	-	603,160	603,160	
20.03-02-14	-	12,314,855	12,314,855	
20.03-02-99	250,000	33,717	(216,283)	(86.5)
20.03-03-00	100,000	-	(100,000)	-
20.03-99-00	500,000	3,225,367	2,725,367	545
20.04-01-00	-	3,058,257	3,058,257	
20.06-02-00	300,000	-	(300,000)	-
		2,060,000	21,070,510	18,852,210

(c) Utilization of Provisions made available by other Ministries and Departments

Provisions totalling Rs. 88,761,603 comprising Rs. 11,887,625 and Rs. 76,873,978 had been received by the District Secretary for various activities from 06 Ministries and 12 Departments respectively. Out of these a sum Rs. 83,572,336 comprising Rs 10,878,058 and Rs. 72,694,278 respectively had been utilized up to the end of the year under review. Accordingly provisions of Rs. 5,189,267 had been saved.

(d). Advances to Public Officer's Account.

Limits authorized by Parliament

Limits authorized by Parliament and the actual values relating to Advances to Public Officer's Account Item No 26801 are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
12,700,000	12,670,094	5,000,000	10,108,326	42,000,000	29,595,301

- i. According to the Reconciliation Statement of the Advances to Public Officers Account as at 31 December 2012 the balances that remained outstanding as at 31 December 2012 totaled Rs. 29,595,300 and the follow up action on the recovery of those outstanding balances had been at a weak level.

- ii. Action had not been taken to recover the loan balance amounting to Rs. 17,664 due from 25 officers who were vacated their post as at 31 December 2012 in terms of Section 2.10.22 of Manual of the District Secretariat.
- iii. Distress and Tsunami loan balances aggregating to Rs. 609,286 due from ten officers who were leave from the service remained unrecoverable over 03 to 05 years.

(e). General Deposit Account

The balance of the General Deposit Account of the District Secretariat as at 31 December 2012 totalled to Rs. 69,911,025 and details are given below.

Account No -----	Balance as at 31 December 2012 -----
	Rs.
6003/0/0/43/0	69,911,025

The following observation is made in this Connection.

Security Deposits amounting to Rs.160,000 received from the toddy taverns had been deposited in the District Secretariat deposit Account instead of depositing them in the Department of Excise in terms of Gazette Notification No 1544/17 of 10 April 2008.

1.6 Accountability and Good Governance

1.6.1 Corporate Plan

Even though a Corporate Plan should be prepared by the District Secretariat at the beginning of the year at least for 3 ensuing years from the year 2010 in terms of letter No.PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of the Department of Public Finance addressed to all Secretaries of the Ministries, Chief Secretaries of the Provincial Councils, Heads of the Departments, District Secretaries and Heads of the Local Authorities, the above Plan had not been prepared up to 31 December 2012.

1.6.2 Annual Action Plan

Even though an Annual Action Plan should be prepared by the District Secretariat for the year 2010 and ensuing years in accordance with the Corporate Plan prepared in terms of letter of the Director General of the Department of Public Finance as mentioned in paragraph 1.6.1 above, the Action Plan for the year under review had not been prepared up to 31 December 2012.

1.6.3 Annual Performance Report

Even though an Annual Performance Report should be prepared by the District Secretariat within 150 days after the end of the financial year and tabled in Parliament along with the copy to the Auditor General in terms of letter of the Director General of the Department of Public Finance mentioned in paragraph 1.6.1 above and the Public Finance Circular No.402 and 402(1), dated 12 September 2002 and 20 February 2004 the Performance Report for the year under review had not been tabled in Parliament up to 27 September 2013.

1.6.4 Internal Audit

An internal audit had not been carried out by the District Secretariat and Divisional Secretariats during the year under review. The audit programme had not been rendered to the Auditor General.

1.6.5 Implementation of the Audit and Management Committee

The District Secretariat had not conducted the Audit and Management Committee meeting during the year under review.

1.7 Asset Management

(a) Idle and Underutilized Assets

It was observed during audit test checks that 14 items of 3 type of assets remained either idle or underutilized for 01 to 02 years.

(b) Conduct of Annual Boards of Survey

Action in terms of the regulations had not been taken regarding excess of 07 type of items and shortage of 12 type of items and other recommendations made in the Boards of Survey report of District Secretariat Mullaithvu, Divisional Secretariat of Maritimpeattu and Oddusuddan for the year 2012.

1.8 Non-compliance

(a) Non-compliance with Laws, Rules and Regulations, etc.

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

Reference to Laws, Rules and Regulations -----	Value ----- Rs.	Non-compliance -----
(i) <u>Treasury Circular</u> No 1/99 of 09 April 1999 No. IAI /2002/02 dated 28 November 2002.		The security deposits had not been obtained from officers dealing the cash and stores. A register of fixed assets on computer accessories and software had not been maintained.
(ii) <u>Financial Regulation</u> Financial Regulation No. 110		A register of losses had not been maintained.
(iii) Financial Regulation No. 756		The Board of Survey in respect of 102 Grama Seva offices had not been carried out.

1.9 Losses and Damage

The following instances of losses and damages were observed during audit test checks at District Secretariat and Divisional Secretariats.

<u>Items</u>	<u>No of Items</u>	<u>Value</u> <u>(Rs.)</u>
Computer set	02	220,000
Two Generators	02	230,000
Photocopier	01	59,950
Three Vehicles	03	340,000
		----- 849,950 -----

1.10 Human Resources Management

(a) Approved Cadre and Vacancies

The position of the cadre as at 31 December 2012 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	84	73	11
(ii)	Tertiary Level	12	00	12
(iii)	Secondary Level	284	153	131
(iv)	Primary Level	46	27	19
	Total	426	253	173

Action had not been taken to fill the 173 vacancies, existed as at 06 august 2013.