

Appropriation Head 182 – Ministry of Foreign Employment  
Promotion and Welfare  
Report of the Auditor General – Year 2012

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1 Appropriation Head

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1:1 Scope of Audit

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Foreign Employment Promotion and Welfare for the year ended 31 December 2012 was carried out 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 Secretary to the Ministry on 25 October 2013. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and 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 an audit coverage as possible within the limitations of staff, other resources and time available to me.

1:2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

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The Chief 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, other statutory provisions and Public Finance 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.

1:3 Audit Observations

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According to the Financial Records and Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) to (d) and other major observations appearing in paragraphs 1:4 to 1:8 herein, the Appropriation Account and the Reconciliation Statement of the Ministry of Foreign Employment Promotion and Welfare had been prepared satisfactorily.

(a) Presentation of Accounts

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The Ministry had furnished the Reconciliation Statement of the Advances to Public Officers Account. Item No. 18201 on 03 May 2013.

(b) Non-maintenance of Registers and Books

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The Ministry had not maintained the following registers.

Type of Register	Relevant Regulations
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(i) Register of Debtors on Loans and Advances	Public Enterprises Circular No. 96 of 10 August 1994.
(ii) Register of Creditors on Loans and Advances	
(iii) Control Account of the Advance Account	

(c) Appropriation Account

(i) Total Provision and Expenditure

The total net provision made for the Ministry in respect of the year under review amounted to Rs.394,175,000 and a sum of Rs.99,047,048 had been utilized by the end of the year. Accordingly the net savings amounted to Rs.295,127,952 and represented 75 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	Balance as at 31 December 2012	Savings as a Percentage of the net Provision
	Rs.	Rs..	Rs.	
Recurrent	82,175,000	84,175,000	14,104,480	17
Capital	310,000,000	310,000,000	281,023,472	91
<b>Total</b>	<b>392,175,000</b>	<b>394,175,000</b>	<b>295,127,952</b>	<b>75</b>

(ii) Budgetary Variance

- \* The entire net provision of Rs.255,825,000 made for 08 Objects had been saved.
- \* Excess provision had been made for 12 Objects and as such the savings thereunder after the utilization of provisions ranged between 52 per cent to 99 per cent of the net provisions relating to those Objects.
- \* The entire estimated provision of Rs. 9 million of one Object had been transferred under Financial Regulation 66 to other Objects.

(d) Advances to Public Officers Accounts

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Limits authorized by Parliament  
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The limits authorized by Parliament for the Advances to Public Officers Account Item No. 18201 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,700,000	1,699,933	900,000	2,155,689	7,000,000	5,202,715

According to the Reconciliation of Statement of the Advances to Public Officers Account Item No. 18201 as at 31 December 2012, the balances that remained outstanding as at that date totalled Rs.307,085 and had failed to recover those outstanding balances.

1:4 Accountability and Good Governance

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1:4:1 Corporate Plan  
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Even though the Ministry should have prepared a Corporate Plan at least for a minimum period of 03 years from the beginning of the year 2010 and onwards in terms of the letter No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance addressed to all Secretaries to Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and the Heads of Local Authorities, that Plan had not been prepared even by 31 December 2012.

1:4:2 Internal Audit

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The Ministry had not established an Internal Audit Unit even by 31 December 2012.

1:4:3 Implementation of the Audit and Management Committee  
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The Ministry had not held meetings of the Audit and Management Committee during the year 2012.

1:5 Assets Management  
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Unsettled Liabilities  
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The unsettled liabilities of the Ministry less than one year old as at 31 December 2012 amounted to Rs.6,247,787. The expenditure on air travel tickets and the hired motor vehicles included in that balance amounted to Rs.2,251,068 and Rs.3,580,874 respectively. The settlement of those liabilities had been unsatisfactory.

1:6 Non-compliances  
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Non-compliance with Laws, Rules and Regulations  
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Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analysed below.

Reference to Laws, Rules and Regulations -----	Value -----	Non-compliance -----
	Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka -----		
(i) Financial Regulation 115(2)	61,764	Even though payments totalling Rs.61,764 had been made in the year under review on 04 vouchers relating to the preceding year, the approval for that in terms of Financial Regulation 115(3) had not been obtained.
(ii) Financial Regulation	3,073,742	Payments had been made on 11 vouchers

245(i)			without certifying the payments.
(iii)	Financial Regulation 396(d)	8,650	Action in terms of the Financial Regulation had not been taken on 02 cheques lapsed for more than 06 months without being presented to the Bank as appearing in the Bank Reconciliation for December 2012.
(iv)	Financial Regulation 1646	--	The Daily Running Charts and the Monthly Performance Summaries of the motor vehicles of the Ministry had not been furnished to audit.
(b)	Circulars of the Presidential Secretariat ----- Circular No. CA/1/17/1 dated 14 May 2010 of the Presidential Secretariat Paragraph 4.2		Contrary to the Circular, fuel had been supplied on coupons amounting to Rs.200,000 monthly for the three motor vehicles supplied for use by the Minister. Fuel Coupons had been purchased for ensuing months as well.
1:7	Irregular Transactions -----		
			Certain transactions entered into by the Ministry had been devoid of regularity. Several such instances observed are given below.
(a)			Motor vehicle facilities from Government funds had been supplied in terms of paragraphs 2.1 and 3.4 of the Circular No. CA/1/17/1 dated 14 May 2010 of the Presidential Secretariat, to the Co-ordinating Secretaries and the Media Secretary of the Ministerial Staff. In addition to that, an Additional Co-ordinating Secretary and an Additional Media Secretary had been provided with motor vehicles on hire basis through the Foreign Employment Bureau at a cost of Rs.837,576 and Rs.1,345,840 respectively.

- (b) In addition to the official motor vehicle provided to the Media Secretary to the Ministry by the Ministry of Foreign Employment Promotion and Welfare in terms of paragraph 3.4 of the Circular No. CA/1/17/1 dated 14 May 2010 of the Presidential Secretariat, a hired motor vehicle had also been provided by the Foreign Employment Bureau. Motor vehicles for that purpose had been obtained at monthly hire charge of Rs.51,975 from January 2012 to 02 September 2012 and at Rs.70,000 per month from 03 September 2012. A sum of Rs.660,800 had also been paid for that period for the distance run as additional travelling.

1:8 Human Resources Management

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 Approved Cadre and Actual Cadre  
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The particulars of the cadre as at 31 January 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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Senior Level	07	05	02
Tertiary Level	01	--	01
Secondary Level	1,209	25	1,184
Primary Level	26	20	06
Others / Temporary	04	01	03
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Total	1,247	51	1,196
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Action had not been taken even by the end of the year under review to fill 1,196 vacancies.