

## **Appropriation Head 133 - Ministry of Technology & Research - 2012**

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### 1.1 Scope of Audit

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The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Technology and Research for the year ended 31 December 2012 were 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 Secretary to the Ministry on 15 August 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 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.

### 1.3 Audit Observations

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According to the Financial Reports and the Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) to (b) and the other major audit observations appearing in paragraphs 1.4 to 1.7 herein, the Appropriation Account of the Ministry of Technology and Research had been prepared satisfactorily.

## (a) Appropriation Account

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Total Provision and Expenditure  
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Total net provision made for the Ministry for the year under review was amounting to Rs.3,189,301,486 and an amount of Rs.2,182,739,450 had been utilized as at the end of the year. Accordingly, the net savings was Rs.1,006,562,036 and it was 31.56 per cent of the total net provision. Details are given below.

Expenditure	Estimated Provision as at 31 December 2012	Net Provision as at 31 December 2012	Savings as at 31 December 2012	Savings as a percentage of Net Provision
	Rs.	Rs.	Rs.	%
Recurrent	1,149,000,000	1,149,000,000	91,234,757	7.9
Capital	2,027,000,000	2,040,301,486	915,327,279	44.86
<b>Total</b>	<b>3,176,000,000</b>	<b>3,189,301,486</b>	<b>1,006,562,036</b>	

(b) Budgetary Variance  
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- (i) The entire provision amounting to Rs.25,650,000 made for 07 objects had been saved.
- (ii) Due to excess provision made for 87 objects, savings after utilization of those provisions was in the range of 5 per cent to 99 percent from net provisions.

#### 1.4 Good Governance and Accountability

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##### 1.4.1 Corporate Plan

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As per Public Finance Director General's Letter No: PF/R/2/2/3/5(4) dated 10 March 2010 addressed all Secretaries to Ministries ,Provincial Council Chief Secretaries, Heads of Departments, District Secretaries and Heads of Local Authorities, the Ministry should prepare a Corporate Plan at least for a period of three years from the year 2010. However, the draft Corporate Plan prepared in September 2012 for the period 2012-2014 had been rendered to the Auditor General in June 2013.

#### 1.5 Management Inefficiencies

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It was observed that an income which could have been received to the government had been lost due to being let the supplier to remove the valuable raw materials such as wood and iron valued at Rs.2,797,000 which were used to construct the stoles at the "Deyata Kirula" National Development Exhibition held at Monaragala, Buththala as a result of not including a Section to the agreement to charge some percentage of that cost or an estimated value.

#### 1.6 Assets Management

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##### Annual Boards of Survey

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- (a) Annual Boards of Survey of 50 Centers out of 260 Vidatha Centers under the Ministry had not been carried out in terms of F.R.756 and 507(1).
- (b) As per Boards of Survey Reports of 28 items in the Media Unit, both ledger balance and actual balance were in same amount. However, the actual balance had been shown as an excess of those items incorrectly by the Boards of Survey.
- (c) Although there were deficits observed in following goods, those had not been shown as deficits in the Boards of Survey Reports.

Section	Goods	Deficit
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Minister's Office	Cupboards	01
	Telephones	02
	Plastic Chairs	10

1.7 Human Resources Management

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 Approved Cadre and Actual Cadre  
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The position of the employees as at 31 December 2012 is shown below.

Category of Employees	Approved Cadre	Actual Cadre	No. of Vacancies
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Senior Level	23	14	09
Tertiary Level	04	04	-
Secondary Level	770	688	82
Primary Level	232	229	03
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	1,029	935	94
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Action had not been taken to fill 94 vacancies as at the end of the year under review.