

## Resettlement Authority-2012

-----

### 1. Financial Statements

-----

#### 1:1 Qualified Opinion

-----

In my opinion, except for the effects of the matters described in paragraph 1:2 of this report, the financial statements give a true and fair view of the financial position of the Resettlement Authority as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles .

#### 1:2 Comments on Financial Statements

-----

##### 1:2:1 Accounting Deficiencies

-----

The double cab motor vehicle valued at Rs.5,600,000 given by the Treasury in the previous year to the Authority had not been brought to accounts in that year. This value had been shown in the financial statements for the year under review as a recurrent grant, instead of being accounted as a capital grant. As such the net surplus of the year under review had been overstated by Rs.5,600,000.

##### 1:2:2 Non-compliance with Laws, Rules, Regulations and Management Decisions

-----

The following non-compliances were observed in audit.

| Reference to Laws, Rules and Regulations        | Non-compliance                                  |
|---|---|
| -----   | -----   |
| (a) Re-settlement Authority Act, No. 09 of 2007 |   |
| -----   |   |
| (i) Part i, Section 12                          | The Authority had not taken action to establish |

branch offices in the Northern and Eastern provinces in order to resettle the displaced person in those areas and to provide their requirements.

(ii) Part ii, Section 20(i)

Although there should be a fund to the Authority, action had not been taken to establish such a fund.

(b) Section 14(1) of the Finance Act, No. 38 of 1971 and Section 6.5.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003.

A copy of the draft annual report had not been submitted to the Auditor General along with the financial statements of the year under review.

## 2. Financial Review

-----

### 2:1 Financial Results

-----

According to the financial statements presented, the operation of the Authority for the year under review had resulted in a surplus of Rs.4,625,545 as compared with the surplus of Rs.460,091 for the preceding year, thus showing an improvement of the financial results by Rs.4,165,454. Accounting the value of double cab motor vehicle amounting to Rs.5,600,000 received from the Treasury in the preceding year, as a revenue in the year under review had been the main reason for this improvement of financial results.

## 3. Operating Review

-----

### 3:1 Performance

-----

The Resettlement Authority performs the functions of facing major problems such as providing food water and sanitary facilities in the settlement process, remedying damaged houses welfare and betterment of internally displaced persons including the provision of quick human assistance and infrastructure facilities with the intervention of the Ministry of Resettlement.

The following activities could not be carried out during the year under review.

- (a) Although it was stated that 5 principal objectives and 14 activities in the Resettlement Authority Act, No. 09 of 2007 action had not been taken to formulate and implement proposals in order to reach such objectives.
- (b) Eventthough an information system had been prepared in order to provide required facilities to the displaced people who had been re-settled in 06 Divisional secretarial divisions in the Northern and Eastern provinces, action had not been taken by the Authority to provide required facilities by using such information.
- (c) Even though it was proposed to implement a project called “Dakune Senehas Uthurata” with the objective of assisting by providing facilities and requirements of a family in the North who had been resettled by a family in the South, the Authority had failed to implement this project even during the year under review.

3:2 Management Inefficiencies  
-----

The following observations are made.

- (a) The following objectives stated in part 11 of the Resettlement Authority Act, No. 09 of 2007 had not been satisfactorily fulfilled.

- (i) **Objectives of the Authority as per Section 13**  
-----

- To ensure the resettlement or to inhibit displaced persons or refugees within the country with security and respectfully and the Authority had not achieved the objectives such as to facilitate the rehabilitation of displaced persons and refugees within the country and to resettle or to inhibit them by providing facilities in order to participate them in the development process from the inception.

- (ii) **Objectives of the Authority in terms of Section 14**  
-----

Although 15 activities to be implemented were stated from sub sections (a) to (o) of section 14 of the Act, there was no any evidence to ensure that such activities had been satisfactorily carried out upto 20 December 2013.

- (b) Only the provision for recurrent expenditure had been made in the annual estimates from the inception of the Authority and the provision for capital expenditure required for the Authority had not been requested from the Ministry.

### 3:3 Staff Administration

-----

The following observations are made.

- (a) The approved cadre as at 31 December 2012 was 24 out of which 15 had been recruited and duties had been segregated. However, performance evaluation had not been carried out.
- (b) The post of the Deputy Director (Finance) of the Authority had been vacant from November 2011 to the date of audit on 10 June 2013.
- (c) The Authority had not taken action to recruit Engineering Technicians, Technical Officers and Design Technicians since inception of the Authority even up to the end of the year under review and as such the intended objectives and purposes could not be fulfilled by the Authority.

## 4. Accountability and Good Governance

-----

### 4:1 Corporate Plan

-----

Although a Corporate Plan should be prepared for the period not less than 3 years in terms of section 5 of the Public Enterprises circular No. 12 of 02 June 2003 a corporate plan only for one year 2012/2013 had been prepared.

### 4:2 Action Plan

-----

The following deficiencies were observed in the Action Plan prepared for the year 2012 by the Authority

- (a) Action Plan had not been prepared in order to identify the responsibility of the Managers with the objectives and targets to be performed during the planned period.
- (b) A sufficient attention had not been paid in respect of the review of progress of targets to be achieved during the specific period.
- (d) The financial provision stated in the Action Plan prepared for the fulfillment of objectives towards the development activities of displaced people in 6 Districts in North and East for the year under review amounted to Rs.813.11 million. However, action had not been taken to obtain funds for that purpose.
- ( e ) As the action plan had not been revised at the time of non fulfillment of objectives stated in it, any activity could not be carried out during the year under review.

#### 4:3 Meetings of Board of Directors

-----

The Board of Directors had consisted of 9 members and only 06 meetings had been held during the year under review. Further, only one meeting of the Board of Directors had been held per year during the period from 2008 to 2010. In terms of chapter 4 of the Public Enterprises circular No. PED/12 of 02 June 2003 performance evaluation had to be carried out and it should be updated its activities by holding monthly meetings of Board of Directors but it had not been so done. Similarly, any proposals scheduled to be carried out in future had also not been presented.

#### 5. Systems and Control

-----

Deficiencies in internal control observed in audit were brought to the notice of the management of the Authority from time to time. Special attention is needed in respect of the following areas of control.

- (a) Personnel Control
- (b) Expenditure Control
- (c) Vehicle Utilization

