

Appropriation Head 261 – District Secretariat, Galle

Report of the Auditor General – Year 2012

1. Key Functions of the District Secretariat

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- (i) Act as the Chief Organizer of cultural, religious and other timely state functions at national and district level in the District .
 - (ii) Take necessary measures to hold fair and impartial elections as the District Returning Officer acting as the representative of the Commissioner of Elections in all types of elections such as Presidential Election, Parliamentary Elections, Provincial Council Elections and Local Government Elections.
 - (iii) Planning Organizing, implementing and supervision of development activities of the District by acting as the Secretary of the District Coordinating Committee and the District Development Committee.
 - (iv) Act as the Head of executing divisional administrative affairs in collaboration with 19 Divisional Secretaries of the District.
 - (v) Collect the revenue of various Ministries, Departments, on behalf of the Revenue Accounting Officer of those institutions, accounting and remitting the same to the Treasury and awareness of the respective Revenue Accounting Officers.
 - (vi) Act as the Deputy Head of all the Ministries and Departments within the authority area of the District and carry out co-ordination activities so as to fulfill the goals, objectives and functions of those institutions.
 - (vii) Restore and stabilize the lives of the community in various disaster situations such as droughts, floods, storms, tsunami by organizing, implementing, supervising disaster management activities and taking follow-up action thereon as the representative of the government.
 - (viii) Co-ordination of activities relating to registration of land deeds, births, deaths and marriages within the district.
 - (ix) Co-ordination of pension programme within the district.

1.2 Offices of Divisional Secretaries under the District Secretariat

- (a) Galle Kadawathsathara
- (b) Thawalama
- (c) Niyagama
- (d) Ambalangoda
- (e) Karandeniya
- (f) Elpitiya
- (g) Neluwa
- (h) Nagoda
- (i) Balapitiya
- (j) Hikkaduwa
- (k) Akmeemana
- (l) Bentota
- (m) Habaraduwa
- (n) Baddegama
- (o) Yakkalamulla
- (p) Bope Poddela
- (q) Velivitiya
- (r) Imaduwa
- (s) Gonapeenuwala

1.3 Scope of Audit

The audit of the Appropriation Account, including the financial records, reconciliation statements, books, registers and other records of the District Secretariat, Galle 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 District Secretary on 05 September 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 an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are 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.

1.5 Audit Observations

According to the Financial Reports and Books as at 31 December 2012, it was observed that except for the general observations appearing at (a) to (e) and other major audit findings appearing in Paragraphs from 1.6 to 1.8 below, the Appropriation Account and the Reconciliation Statements of the District Secretariat, Galle had been satisfactorily prepared.

(a) Non maintenance of Registers and Books

Balances of two transactions aggregating Rs.1,026,072 could not be satisfactorily verified in audit due to non availability of necessary evidence such as certificates of deposit at the District Secretariat.

(b) Appropriation Account

(i) Total Provision and Expenditure

The total net provision made to the District Secretariat amounted to Rs.922,425,763. Out of this, a sum of Rs.91,549,108 had been utilized by the end of the year under review. Accordingly, the net savings amounted to Rs.6,934,655 and it represented 0.75 per cent of the total net provision. Details are shown 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	611,975,000	862,625,763	674,209	0.08
Capital	59,800,000	59,800,000	6,260,446	10.47
Total	671,775,000	922,425,763	6,934,655	

(ii) Utilization of Provision received from other Ministries and Departments

Twenty two other Ministries and 15 Departments had given provisions aggregating Rs.4,099,032,889 for various purposes and out of this, a sum of Rs.3,731,860,150 had been utilized. Accordingly, savings was Rs.367,172,734 and it represented 09 per cent of the provisions received. 9,694 packets of vegetable seeds had been provided to 44 Grama Nildhari Divisions under the Forth stage of the Divineguma Programme – 2012 and out of those, only 6,165 packets had been cultivated. It represented 64 per cent of the quantity provided and out of the quantity of seeds cultivated, seeds provided to 77 beneficiaries had only been in good condition and it represented 1.25 per cent of the quantity cultivated. Accordingly, it was observed that the project of providing seeds under the Divineguma Programme had not reached the expected level successfully.

(iii) Management of Government Expenditure

Even though out of the provisions made through the Annual Budget Estimate approved by Parliament for the year 2012, the savings of provisions from recurrent expenditure and capital expenditure should have been 2 per cent and 9 per cent respectively in terms of National Budget Circular No.155 dated 30 December 2011, provisions had not been saved from the recurrent expenditure by the District Secretariat, as requested.

(c) Advance to Public Officers’ Accounts

Limits Authorised by Parliament

The limits uthorised by Parliament relating to Advances to Public Officers’ Account Item No.26101 and the actual values are shown below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
51,000,000	47,114,743	44,000,000	46,387,985	220,000,000	196,920,280

(d) Imprest Accounts

The unsettled Imprests balance of the District Secretariat as at 30 April 2013 totalled to Rs.194,086 and it was existing since year 2006.

(e) General Deposit Accounts

The balances of the General Deposit Accounts of the District Secretariat as at 31 December 2012 totalled to Rs.368,496. Even though it had existed over 02 years, action had not been taken for crediting to the revenue in terms of Financial Regulations 571.

1.6 Good Governance and Accountability

1.6.1 Corporate Plan

Even though the District Secretariat should prepare a Corporate Plan at the beginning of the year at least for 03 ensuing years commencing from the year 2010 in terms of Letter of the Director General of Public Finance No. PF/R/2/2/3/5(4) dated 10 March 2010 referred to all Secretaries of Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and the Heads of Local Authorities, such a Plan had been prepared only on 25 April 2010. The following deficiencies were observed in that Plan.

(a) Corporate Plans had not been presented separately for Divisional Secretariats.

(b) Although there were 19 Divisional Secretariats affiliated to the District Secretariat, the manner of planning the activities to be carried out by the District Secretariat on behalf of those Secretariats had not been pointed out in the Corporate Plan.

1.6.2 Annual Action Plan

Although the District Secretariat had prepared an Action Plan for the year 2010 and onwards in accordance with the Corporate Plan prepared in terms of Letter of the Director General of Public Finance mentioned in paragraph 1.6.1 above, the Corporate Plan had not been prepared so as to cover all the Sections. As a result, such deficiencies were observed in the Action Plan too.

1.7 Management Weaknesses

Five receipt books in Form General 172 issued at a single instance were being used. However, it was observed at the physical inspection carried out on 14 December 2012 that 07 receipt books in Form General 172 belonging to Central Government and Provincial Councils had been further issued to the Cashier.

1.8 Human Resources Management

Approved Cadre and Actual Cadre

The cadre position as at 31 December 2012 was as follows.

Category of Employee	Approved Cadre	Actual Cadre	Number of Vacancies
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(i) Senior Level	63	58	05
(ii) Secondary Level	1,481	1,257	224
(iii) Tertiary Level	43	31	12
(iv) Primary Level	170	163	07
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Total	1,757	1,509	248
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Even though 248 vacancies had existed at the end of the year under review, action had not been taken to fill those vacancies.