

**Head 182 - Ministry of Foreign Employment Promotion and Welfare  
Report of the Auditor General-year 2013**

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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 2013 was carried out in pursuance of provisions in Article 154 (1) 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 November 2014. 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 Accounts and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Financial and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliations Statements that are free from material misstatements whether due to fraud or error.

**1.3 Audit Observation**

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According to the Financial Records and books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing in (a) to (c) and major audit findings appearing in paragraphs 1.4 to 1.7 herein, the Appropriation Account, and the reconciliation statements of the Ministry of Foreign Employment Promotion and Welfare had been prepared satisfactorily.

**(a) Non-maintenance of Registers and Books**

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A Register of Fixed Assets had not been properly maintained and updated in terms of Treasury Circular No. 842 dated 19 December 1978 by the Ministry.

**(b) Appropriation Account**

Following observations are made

**(i) Total Provision and Expenditure**

While the total net provision made for the Ministry amounted to Rs.424,235,000, a sum of Rs.402,290,493 had been utilized as at the end of the year under review. Accordingly, a saving of Rs.21,944,507 or 5 per cent of the net provision was observed. Details are shown below.

Expenditure	As at 31 December 2013			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.	Rs.	Rs.	
Recurrent	199,235,000	197,344,718	1,890,282	1
Capital	225,000,000	204,945,775	20,054,225	9
<b>Total</b>	<b>424,235,000</b>	<b>402,290,493</b>	<b>21,944,507</b>	<b>5</b>

**(ii) Budgetary Variance**

The entire provision of Rs.11.5million made available for 06 items of Expenditure had been saved.

**(c) Advances to Public Officers Account**

Limits authorized by Parliament on Advances to Public Officers Account relating to the Ministry and actual values are shown below.

Item No.	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
18201	4,000,000	3,185,465	1,100,000	2,324,548	8,000,000	6,063,633

Following observation is made in this connection.

According to the Reconciliation Statement as at 31 December 2013 relating to Item No. 18201 Advance Account, the total of individual balances outstanding in arrears as at that date amounted to Rs.71,360 and the follow up action for recovery of those balances was at a weak level.

#### **1.4 Good Governance and Accountability**

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##### **1.4.1 Internal Audit**

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The Internal Audit Unit had been established on 06 November 2013 and therefore an adequate audit had not been done for the year 2013.

##### **1.4.2 Implementation of Audit and Management Committee**

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Although in terms of paragraph 06 of the Management Audit Circular No. DMA/2009(1) dated 09 June 2009 the Audit and Management Committee should meet at least once in three months, Audit and Management Committee Meetings had not been conducted during the year under review.

#### **1.5 Assets Management**

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Following lapses were observed at the audit test checks carried out with regard to the assets of the Ministry.

##### **(a) Idle and Under-utilized Assets**

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While a motor vehicle belongs to the Ministry had been under-utilized since 28 September 2011, and it had not been used after 05 January 2013.

##### **(b) Assets given to Outside Parties**

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While a Double Cab Vehicle own by the Ministry had been given to the Ministry of High Ways, Port and Shipping, information relating to date of such handing over or value of the Cab Vehicle was not available in the Ministry.

##### **(c) Improper use of Assets belongs to Other Institutions.**

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While two vehicles taken on rent by the Foreign Employment Bureau had been taken for use by the Ministry, rent paid for those two vehicles as at 31 December 2013 had been Rs.1,638,499.

## 1.6 Non-compliance

### Non-compliance with Laws, Rules Regulations etc.

Instances of non-compliance with laws, rules and regulations observed in audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Non-compliance
<b>(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</b>	
(i) Financial Regulation 66(i)	Payments for expenses Rs.384,224 and Rs.1,879 totalling Rs.386,103 respectively had been made before obtaining authority.
(ii) Financial Regulation 1646	Monthly Performance Reports relating to a vehicle belongs to the Ministry had not been furnished to audit.
<b>(b) Circulars</b>	
(i) Presidential Secretariat's Circular No. CA/1//17/1 dated 14 May 2010. Paragraph 3.1  Paragraph 4.2	Although the maximum number of official vehicles that can be used by the Hon. Minister is 03, 04 vehicles had been provided to the Minister.  Although the Fuel Allowance should be paid as a Monthly Allowance, contrary to that, monthly fuel amounting to Rs.200,000 had been given on coupons to 04 vehicles provided to the Minister and fuel coupons had been purchased for the ensuing months as well.
(ii) Public Administration Circular No.41/90 dated 10 October 1990. Sub paragraph 2.11	Although the fuel consumption of vehicle should be tested once in 06 months, such a test had not been done by the Ministry.

## 1.7 Human Resources Management

Following observations are made.

### (a) Approved and Actual Cadre

Cadre position as at 31 December 2013 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior level	09	08	01
(ii) Tertiary Level	01	01	--
(iii) Secondary Level	1,213	965	248
(iv) Preliminary Level	26	22	04
(v) Others (Temporary/Casual/Contract Basis)	04	01	03
<b>Total</b>	<b>1,253</b>	<b>997</b>	<b>256</b>

Action had not been taken by the Ministry to fill 256 vacant posts as at the end of the year under review.

### (b) Human Resources obtained from other Parties

Matters revealed with regard to Human resources obtained by the Ministry are shown below.

Category of Employees	Number	Other Party	Period
General Assistants	02	Foreign Employment Bureau	During the year 2013
Drivers	02		
Assignment Basis	01		
Peons	01		