

**Head 133 - Ministry of Technology and Research**  
**Report of the Auditor General - Year 2013**

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**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 Technology and Research 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 21 October 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 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 at (a) and (b) and major audit findings appearing in paragraphs 1.4 to 1.10 herein, the Appropriation Account, and the reconciliation statements of the Ministry of Technology and Research had been prepared satisfactorily.

**(a) Appropriation Accounts**

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**(i) Total Provision and Expenditure**

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While the total net provision made for the Ministry amounted to Rs.3,767,160,037, a sum of Rs.2,947,949,146 had been utilized as at the end of the year under review. Accordingly, a saving of Rs.819,210,891 or 22 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	1,293,000,000	1,111,543,826	181,456,174	14
Capital	2,474,160,037	1,836,405,320	637,754,717	26
<b>Total</b>	<b>3,767,160,037</b>	<b>2,947,949,146</b>	<b>819,210,891</b>	<b>22</b>

**(ii) Budgetary Variance**

Following observations are made.

- The entire net provision of Rs.5,670,037 made under 07 items of expenditure had been saved.
- Due to underutilization resulted on administrative reasons, savings after utilization of net provisions under 92 Expenditure Items, were in a range between 5 per cent to 99 per cent of those expenditure items.

**(a) Reconciliation Statement relating to the Advances to Public Officers Account**

**Limits Authorized by Parliament**

Limits Authorized 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.
13301	27,000,000	14,767,989	10,000,000	15,729,067	85,000,000	53,944,194

Following observations are made in this connection.

- While the total of recoveries in arrears according to the Reconciliation Statement relating to Advances to Public Officer Account - Item No. 13301 amounted to Rs.403,016 the Ministry had failed to recover those outstanding balances in arrears.
- Loans amounting to Rs.30,000 had been paid by the Ministry without complying with requirements laid down.

#### 1.4 Assets Management

##### Idle or Under-utilized Assets

It was observed that following assets in the Vidhatha Centres in operation under the Ministry remained idle or under- utilized.

	<b>Vidhatha Centre</b>	<b>Assets remaining Idle or under –utilized</b>
(i)	Dehiovita	Dehydrating Machine and Firewood Heath
(ii)	Yatyanthota	Dehydrating Machine and 06 Computers
(iii)	Rambukkana	Dehydrating Machine, 2 Coconut oil extracting Machines and Jack Seed wool Removing Machine
(iv)	Bulathkohupitiya	Motor cycle and Satellite linking Equipment set
(v)	Padukka	Firewood Heath, Coconut Oil Extracting Machine and 05 Computers
(vi)	Seethawaka	Firewood Heath and Coconut Husk Removing Machine
(vii)	Maharagama	Dehydrating Machine, Bakery Oven , Kerosene Heath and Yogurt Incubator
(viii)	Negombo	Dehydrating Machine, Bakery Oven, Firewood Heath and Coconut Oil Extracting Machine
(ix)	Mirigama	Dehydrating Machine and Bakery Oven

#### 1.5 Weaknesses in implementation of Projects.

##### Delays in Executing of Projects.

Following Projects had not been completed by the Ministry even up to 12 March 2014, the date of audit.

<b>Project</b>	<b>Estimated Cost</b>	<b>Date Commenced</b>	<b>Due date for Completion</b>	<b>Expenditure up to 31.12.2013</b>	<b>Reasons for the Delay</b>
	<b>Rs.</b>			<b>Rs.</b>	
Construction of Vidhatha Center Musali	8,163,058	January 2012	31.12.2013	2,869,817	Sluggish attitude of the contractor and the Manar Divisional Secretary
Construction of Vidhatha Center Kahawaththa	8,314,823	January 2012	14.09.2012	2,175,370	Legal problems between the District Secretary and the contractor

## 1.6 Performance

### ----- Planning -----

#### ----- Lack of Action in Conformity with the Annual Action Plan -----

It was observed that action had not been taken in conformity with the Annual Action Plan in the following instances.

- (a) While it had been expected to complete 11 Vidhatha Centers according to the Action Plan for the year 2013 utilizing provision amounting to Rs.38.25 million, only 07 centers had been completed having spent a sum of Rs. 37.803 million by end of the year 2013. In addition to this, a Vidhatha Center not included in the Action Plan too, had been constructed.
- (b) When preparing the Action Plan for Vidhatha Centers priority had been given to the technical programs and practical side had not been considered. Due to that, it had been difficult to reach the Action Plan in all centers and programs not shown in the Action Plans had been implemented. Details relating to the programs implemented from January to June 2013 are shown below.

Vidhatha center	Number of Programs planned	Number of Beneficiaries	Number of Programs conducted	Number of Beneficiaries	Number of Programs Conducted outside the Corporate Plan	Number of Beneficiaries
Mawanella	26	586	15	375	13	536
Dehiovita	24	1,325	04	170	20	463
Yatyanthota	23	760	04	48	16	268
Ruwanwella	22	670	13	465	12	608
Rambukkana	31	629	11	314	16	250
Negombo	29	445	05	86	16	184
Mirigama	33	725	19	579	02	65
Minuwangoda	25	1,250	31	389	-	-
Divulapitiya	27	740	08	257	06	308
Padukka	32	831	10	223	06	152
Seethawaka	37	1,143	04	41	21	968
Maharagama	27	157	07	157	04	101

- (c) When approving Action plan relating to Ja-Ela Vidhatha Centre, by the Ministry, it had been made compulsory to visit and conduct training programs on Post Crop Technological Production of Carbonic Fertilizer, at the rate of 02 programs for every quarter in each Grama Niladhari Division. Action had not been taken accordingly.

### **1.7 Improper Transactions**

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While two buildings had been obtained for Vidhatha Centers at Padukka and Minuwangoda on monthly rent of Rs.15,000 and Rs.10, 000 respectively, relevant lease agreements were not made available to audit.

### **1.8 Losses and Damages**

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Observations relating to Losses and Damages revealed in audit sample checks are shown below.

- (a) Necessary action had not been taken to recover a sum of Rs.27,416 being the loss incurred due to abandonment of work in terms of paragraph 04 of the agreement entered into for the construction of new building at the Vidhatha Centre at Mawanella.
- (b) While 03 wood dust ovens belong to the Maharagama Vidhatha Centre had been lost and a complaint had been lodged in the Police. However, the Ministry had not been informed about this matter.

### **1.9 Management Weaknesses.**

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Following weaknesses were observed in audit sample checks.

- (a) Land in extent of 48 acres made available through the Urban Development Authority for establishing Ninithi Technological Garden had not been vested in the Ministry up to 12 March 2014, the date of audit.
- (b) A sum of Rs.304,708,482 had been spent for the land of 48 acres in extent, used for establishing the Ninithi Technological Garden, based on the primary internal assessment of the Urban Development Authority, without obtaining an estimate from the Government Valuer.
- (c) The land where the construction of Vidhatha Centre, at Musali, Manar had not been vested in the Ministry up to 12 March 2014, date of audit.
- (d) Following management weaknesses were observed with regard to the Vidhatha Centers conducted by the Ministry.
- (i) When providing apparatus to Vidhatha Centers same type of items had been given without identification of the necessity based on the regional conditions.
- (ii) The Ministry had not supervised Vidhatha Centers by visiting each institution in order to identify the needs of the centers over a number of years.

- (iii) Training programs had not been carried out over a number of years by the Ministry in order to provide the required knowledge to the Vidhatha Officers and Field Officers .
- (iv) Attendance registers had not been maintained in the Centers when resource persons are engaged for training programs.
- (v) Visits Registers had not been maintained properly in the Vidhatha Centers.
- (vi) Registers and records had not been properly maintained when taking apparatus away from the Vidhatha Centers and returning those back to the centers.
- (vii) While motor cycles had been provided for field duties without any assessment of the needs and motor cycles had not been provided to certain essential centers.
- (viii) Action had not been taken to obtain approval of the Divisional Secretary for the advanced programs of field officers and technological officers and keep a copy in the Centre.
- (ix) Important duties such as identification of entrepreneurs, purchase of raw materials for training programs, establishing Vidhatha Centres at Grama Niladhari level and obtaining necessary support for training programs had not fulfilled at the centres due to non-appointment of a Field Coordinating Officer.

#### 1.10 Human Resources Management

##### (a) Approved and Actual Cadre

Cadre position as at 31 December 2013 was as follows.

Category of Employee	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior level	23	16	07
(ii) Tertiary Level	04	03	01
(iii) Secondary Level	768	672	96
(iv) Preliminary Level	234	230	04
(v) Others (Casual/Temporary/ Contract basis)	02	01	01
<b>Total</b>	<b>1,031</b>	<b>922</b>	<b>109</b>

Action had not been taken to fill 109 vacant posts at the end of the year under review by the Ministry.

(b) **Human Resources Improperly Released to Outside Parties by the Ministry.**  
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Particulars relating to Human Resources improperly released to outside parties by the Ministry are shown below.

<b>Category of Employee</b> -----	<b>Number</b> -----	<b>Other Party</b> -----
Science and Technology Officer	02	Planetarium
do	01	Institute of Fundamental Studies
do	01	Sri Lanka National Engineering Research Institute.