

Head 182-Ministry of Foreign Employment Promotion and Welfare

Report of the Auditor General-year 2014

Paragraphs 1 and 2 of this Report contain the general information on the Accounts of the Ministry and the Department under the Ministry and Audit Observation relevant to the Head appear in paragraph 3 onwards.

1.1 Scope of Audit

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 2014 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 08 July 2015. 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

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.

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.672.6 million and out of that a sum of Rs.641.6 million had been utilized as at the end of the year under review. Accordingly, saving out of the net provision of the Ministry amounted to Rs.31 million or 4.61 per cent out of the net provision. Details appear below.

Expenditure	As at 31 December 2014			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Million	Rs. Million	Rs. Million	
Recurrent	468.3	454.7	13.6	2.90
Capital	204.3	186.9	17.4	8.52
Total	672.6	641.6	31.0	4.61

2.2 Advance Accounts

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

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

Item Number	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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	Rs.Million	Rs.Million	Rs.Million	Rs.Million	Rs.Million	Rs.Million
18201	8	8	4.1	5.4	52	9.2

2.3 Imprest Account

The total of the imprest account balance of the Ministry as at 31 December 2014 amounted to Rs.11.4 million.

2.4 General Deposit Account

The balance of the General Deposit Account of the Ministry as at 31 December 2014 amounted to Rs 0.1 million.

2.5 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2014, it was observed that subject to the audit observations appearing in paragraph 1:1 of the Management Audit Report, the Appropriation Account, and the reconciliation statements of the Ministry of Foreign Employment Promotion and Welfare had been prepared satisfactorily. The material and important observations out of the observations included in the Management Audit Report appear in paragraph 3 herein.

3. Head 182- Ministry of Foreign Employment Promotion and Welfare

3.1 Appropriation Account

Budgetary Variance

The following observations are made.

- (a) Entire net provisions amounting Rs.2, 950,000 made for 08 Objects had been saved.

- (b) Excess provisions had been obtained for 07 Objects and as such the savings thereunder after utilization of provisions ranged between 71 per cent to 99 per cent of the net provisions of respective Objects.

3.2 Assets Management

Following deficiencies were observed at the audit test check carried out on assets of the Ministry.

(a) Idle and Under-utilized Assets

A motor vehicle had remained idle since the year 2012 even by December 2014.

(b) Assets given to External Parties

A cab vehicle belonging to the Ministry had been taken over by the former Minister to the Ministry of Highways, Ports and Shipping in the year 2006 and subsequently the repairs of the vehicle had been done. The Secretary of the Ministry of Foreign Employment Promotion and Welfare had informed to audit by the letter dated 15 July 2015 that the vehicle could not be returned to the Ministry of Foreign Employment Promotion and Welfare was informed by the letter dated 20 October 2014. But the vehicle had not been transferred to the Ministry of Highways, Ports and Shipping even by August 2015.

(c) Unsettled Liabilities

 Unsettled Liabilities of the Ministry totalling Rs.8, 592,953 had remained as at 31 December 2014 comprising Rs.539,110 and Rs. 8,053,843 remained for over one year less than 03 years and for less than one year respectively. The following observations are made in this regard.

- (i) The air ticket charges to be reimbursed to the Foreign Employment Bureau had been stated under Liabilities in the Appropriation Account. But according to the financial statements of the Foreign Employment Bureau it was stated that the amount to be recovered from the Ministry as Rs.615,700. Accordingly there was a difference of Rs.111, 440 between the accounts of the Ministry and the Bureau.
- (ii) A sum of the Rs. 7,334,796 paid by the Bureau in the year under review for reimbursement of the mobile telephone bills of the Development Officers had not been shown under Liabilities in the Appropriation Account.

3.3 Non - compliances

Non- compliance with Laws, Rules, Regulations etc.

Instances of Non-Compliance with laws, rules and regulations observed during audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Value	Non-compliance
	Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.		
(i) Financial Regulation 138	1,073,501	The expenditure for the vehicle repairs from January to August 2014 had been certified by the Ministry without ensuring the repairs had been done properly in terms of the Financial Regulation 137.
(ii) Financial Regulation 571 (3)	146,480	Action in terms of the Financial Regulation had not been taken even by 19 May 2015 relating to the deposit amounting to Rs. 146,480 credited to the General Deposit Account in the name of UK City Bank on 21 August 2014.
(b) Public Administration Circular		
Paragraph 10.7 of the Circular No.212/2007 dated 11 September 2007		The copies of the reports relating to 07 officers of the Ministry who attended for foreign duty tours in the year 2014 had not been included in the files.
(c) Public Finance Circulars	102,519	
Public Finance Circular letter No PFD/RED 01/04/08 dated 15 November 2011 Paragraph 2 of No.01, Volume No (v)		Telephone bills of 04 officers had been reimbursed by the Ministry in the year 2014 contrary to the provisions of the said circular.

3.4 Human Resources Management

Approved Cadre and Actual Cadre

Position of the cadre as at 31 December 2014 is as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior level	09	08	01
(ii) Tertiary Level	02	02	--
(iii) Secondary Level	1,213	1,023	190
(iv) Preliminary Level	26	19	07
(v) Others (Temporary/Casual/Contract Basis)	03	--	03
Total	1,253	1,052	201
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Action had not been taken to fill 201 vacancies as at the end of the year under review by the Ministry.