

Report of the Auditor General on Head 159 – Ministry of Tourism Development and Christian Religious Affairs - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 159 – Ministry of Tourism Development and Christian Religious Affairs for the year ended 31 December 2015 was carried out in pursuance of provisions in 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 Secretary to the Ministry on 22 August 2016. 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 Account and the Reconciliation Statements in accordance with the provisions in 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.

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.169.05 million and out of that Rs.64.52 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provisions of the Ministry amounted to Rs.104.53 million or 61.83 per cent. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	56.00	43.33	12.67	22.63
Capital	113.05	21.19	91.86	81.26
Total	169.05	64.52	104.53	61.83

2.2. Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Ministry under Item No.15901 and the actual amounts are given below.

<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
3.00	1.67	0.02	1.10	18.00	6.75

2.3 General Deposit Accounts

The balances of the Deposit Accounts of the Ministry as at 31 December 2015 totalled Rs.138,859. Details are appear below.

<u>Deposit Account Number</u>	<u>Balance as at 31 December 2015</u>
	Rs.
6000/0000/00/0002/0151/000	54,000
6000/0000/00/0013/0105/000	1,800
6000/0000/00/0016/0096/000	83,059
Total	138,859

2.5 Audit Observation

The Appropriation Account, and the Reconciliation Statements for the year ended 31 December 2015 of the Ministry of Tourism Development and Christian Religious Affairs had been satisfactorily prepared subject to the Audit Observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and significant Audit Observations out of the Audit Observations included in the Management Audit Report appear in Paragraph 3.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

It was observed during audit test checks that the Ministry had not maintained the following registers.

Type of Registers	Relevant Regulation
(a) Register of Fixed Assets	Treasury Circular No.842 dated 19 December 1978.
(ii) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No.IAI/2002/02 dated 28 November 2002.

3.2 Lack of Evidence for Audit

The transfer sheets of the expenditure in respect of 23 Objects had not been furnished to audit.

3.3 Good Governance and Accountability

3.3.1 Internal Audit

An Internal Audit Unit had not been established.

3.3.2 Annual Performance Report

Even though the Annual Performance Report should be tabled in Parliament within 150 days after closure of the financial year by the Ministry in terms of Public Finance Circular No.402 dated 12 September 2002, the Report had not been tabled in Parliament even by 30 June 2016.

3.4 Assets Management

The following deficiencies were observed during the course of audit test checks of the assets of the Ministry.

Irregular use of Assets belonging to other Institutions

The Ministry had utilized 12 vehicles in which the Registration belonging to other 05 Ministries and one Institution in the year under review.

3.5 Non-compliances

Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analysed below.

Reference to Laws, Rules and Regulations

Non-compliance

(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

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| (i) Financial Regulation 1646 | The monthly performance Summaries and Daily Running Charts of pool vehicles belonging to the Ministry had not been furnished to the Auditor General before the 15 day of the month following. |
| (ii) Financial Regulation 1645 (a) | The vehicle log books had not been maintained in regular and proper manner. |
| (iii) Financial Regulation 104 (3) | Even though a preliminary report should be furnished immediately, if a delay of more than seven days is envisaged for making a full report in an instance of a vehicle accident caused, it had not been so done. |

(b) Public Administration Circulars

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| (i) Circular No.41/90 dated 10 October 1980. | The fuel consumption of the vehicles had not been tested once in 06 months. |
| (ii) Circular No.26/92 dated 19 August 1992. | Action had not been taken to stencil the State Emblem for the vehicles on which should be stenciled the State Emblem. |

3.6 Performance

The observations on the progress of the Ministry according to the Action Plan 2015, are given below.

Key Functions not Executed Adequately

The following observations are made.

- (a) Even though, the key functions of the Ministry had been shown under 08 Divisions, the activity for Development of Tourism Affairs in 09 Provinces had only been implemented.
- (b) Even though, the preparing, follow up actions and evaluation of projects are the activities of the Ministry, the follow up actions or evaluation of projects had not been done regarding the projects implemented in the year 2015.

- (c) It was planned to implement 30 projects as 27 projects which included in 09 provinces and 03 projects under the Ministry. Nevertheless, 17 projects out of that had not been implemented in the year 2015.

3.7 Human Resources Management

Approved Cadre and Actual Cadre

The position on the cadre as at 31 December 2015 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	14	11	03
(ii)	Tertiary Level	04	01	03
(iii)	Secondary Level	28	21	07
(iv)	Primary Level	19	07	02
	Total	65	50	15