

Report of the Auditor General on Head 157 – Ministry of National Co – existence, Dialogue and Official Languages- Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 157 – Ministry of National Co – existence, Dialogue and Official Languages 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 of the Ministry on 20 July 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 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, 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. 592.37 million and out of that, a sum of Rs. 405.91 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision made for the Ministry amounted to Rs. 186.45 million or 31.48 per cent of the net provision. Details appear below.

As at 31 December 2015

Expenditure	Net Provision	Utilization	Savings	Savings as a Percentage of Net Provision
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	287.07	260.68	26.39	9.19
Capital	305.50	145.23	160.07	52.43
Total	592.37	405.91	186.46	31.48

2.2 Advance Account

Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No.15701 of the Ministry 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	0.49	0.50	1.41	60.00	23.91

2.3 Imprest Account

The balance of the Imprest Account No. 7002/0000/00/0362/0015/000 under the Ministry as at 31 December 2015 amounted to Rs. 15.85 million.

2.4 General Deposit Account

The balances of 3 Deposit Accounts under the Ministry as at 31 December 2015 totalled Rs.38,698. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
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	Rs.
6000/0000/00/0002/0154/000	20,000
6000/0000/00/0013/0107/000	11,648
6000/0000/00/0018/0101/000	7,050

	38,698
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2.5 Audit Observation

The Appropriation Account and the Reconciliation Statement of the Ministry of National Co – existence, Dialogue and Official Languages for the year ended 31 December 2015 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 Appropriation Account

Budgetary Variance

The following observation are made.

- (a) The total net provision of Rs. 39,090,000 made for 10 Objects had been saved without being utilized.
- (b) Excess Provision had been made for 44 Objects and as such the savings, after the utilization of provision, ranged from 12 per cent to 99 per cent of the net provisions relating to the respective Objects.

3.2 Reconciliation Statement of the Advances to Public Officers Account

Accordance to the Reconciliation Statement presented to audit, the balances that remained outstanding totalled Rs. 235,320 and those outstanding balances remained over periods ranging from 02 years to 05 years. The Ministry had failed to recover the outstanding loan balances.

3.3 Foreign Aid Projects

The Ministry had implemented the “Enforcement of Law, Access to Judicial Process and Strengthening of the Social Integration of Sri Lanka Project” under the foreign financing during year under review. According to the Project Agreement, the estimated cost thereof amounted to Rs. 47,197,492. Provision amounting to Rs. 41,790,125 had been utilized for the Project during the year under review. The following observations are made in connection with this Foreign Aid Project.

(a) Performance of the Foreign Aid Project

Even though provision of Rs. 2,691,920 had been made for the Empowerment of Teachers Programme as a group of representatives who can effect a change for the social integration, out of that provision amounting to Rs. 662,298 only had been utilised.

(b) Abandoning of Certain Activities included in the Foreign Aid Project

Even though provision of Rs.7,500,000 had been made from the year 2013 for the production of a teledrama for the promotion of the social integration, a sum of Rs.500,000 out of that only had been spent on copy writing. The balance provision had to be returned due to the failure to execute the work during the specified period.

3.4 Performance

Even though provision of Rs.3,000,000 had been made according to the Action Plan for the year 2015 for the conduct of 10 awareness programmes for Police Officers in the year under review, only 4 programmes had been conducted at a cost of Rs.835,460.

3.5 Irregular Transactions

A sum of the Rs. 240,000 had been paid to a Publicity Agent selected without following the Guideline 1.2 of the Government Procurement Guideline for the production of the Subharathi Programme implemented in the year 2015 in Sinhala and Tamil Languages and preparation of the advance announcements. The contract had been awarded without establishing the experience of the institution in the co-ordination of Radio Programmes.

3.6 Uneconomic Transactions

The particulars of transactions executed devoid of economy observed during the course of audit test checks are given below.

- (a) The Ministry had printed 2,500 copies of the Handbook on Guidelines for the Preparation of Language Plans in the year from the provision of the Language Project. Despite the

availability of 1,304 copies out of that stock, further 2,000 copies had been printed at a cost of Rs.1,263,180. Those books had been received by the store in March of the year under review and 1,030 copies of books had been remained by 31 December 2015.

- (b) Even though a sum of Rs. 125,587 had been spent in the year 2011 for the construction of the Bilingual Assistance Counter at the Divisional Secretariat Bandarawela, a further sum of Rs. 199,920 had been spent again in the year 2015 for the construction of the Bilingual Assistance Counters.

3.7 Management Weaknesses

A National Integration Assistant who had obtained no-pay leave for 01 year with effect from 01 December 2012 for proceeding overseas, had not reported for service on 02 December 2013. The sum of Rs.97,400 payable to the Government according to the agreement signed in making application for leave had not been recovered even by 31 December 2015.

3.2 Human Resources Management

Approved Cadre and Actual Cadre

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

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	24	14	10
(ii)	Tertiary Level	04	03	01
(iii)	Secondary Level	432	268	164
(iv)	Primary Level	111	96	15
	Total	571	381	190
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