

Report of the Auditor General on Head 304 – Department of Meteorology - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records, of the Head 304 – Department of Meteorology for the year ended 31 December 2015, was carried out in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review had been issued to the Director General of the Department on 21 July 2016. The audit observations, comments and findings on accounts and 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 and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are 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, Public Finance and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control necessary to enable 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 Department amounted to Rs.603.18 million and out of that, Rs.360.06 million had been utilized by the end of the year under review. Accordingly, savings out of the net provisions of the Department amounted to Rs.243.12 million or 40.31 per cent. Particulars are given 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	255.18	248.53	6.65	2.61
Capital	348.00	111.53	236.47	67.95
Total	603.18	360.06	243.12	40.31

2.2. Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account under Item No. 30401 relating to the Department and the actual values are shown below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
12.70	11.50	7.69	10.37	55.00	31.70

2.3 Imprest Account

The balance of Imprest Account No.7002/0000/00/0132/0015/000 of the Department as at 31 December 2015 totalled Rs.14.8 million.

2.4 General Deposit Accounts

The total balances of 04 General Deposits Accounts under the Department of Meteorology as at 31 December 2015 amounted to Rs.9.85 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
	Rs.Millions
6000/0000/00/0001/0112/000	0.25
6000/0000/00/0002/0156/000	0.03
6000/0000/00/0013/0109/000	1.18
6000/0000/00/0016/0100/000	8.39
Total	9.85

2.5 Audit Observation

The Appropriation Account and Reconciliation Statements of the Department of Meteorology for the year ended 31 December 2015 have been prepared satisfactorily, subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and significant observations out of the audit observations included in that 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 Department had not maintained the following registers.

Type of Register	Related Regulation
(i) Security Register	Financial Regulation 891(1)
(ii) Attendance Register of the Procurement Committee and the Technical Evaluation Committees	Guideline 2.11.2 of the Government Procurement Guidelines
(iii) Bidding Document	Guideline 5.2.1 of the Government Procurement Guidelines
(iv) Inventory of Electrical Fittings	Financial Regulation 454(2)

3.2 Reconciliation Statement on Advances to Public Officers Account

The following deficiencies were observed during the course of audit test checks of the Reconciliation Statement as at 31 December 2015 relating to the Advances to Public Officers Account Item No.30401.

- (a) In terms of Public Enterprises Circular No.96 of 10 August 1994, according to its format, the revised limits of the year had been shown under the limits authorized by the Appropriation Act. As such, the limits authorized by the Appropriation Act had not been shown in the Reconciliation Statement.
- (b) Action had not been taken in terms of Sections 4.2.1, 4.2.4, 4.2.5 and 4.5 of Chapter XXIV of the Establishments Code in respect of loan balances totalling Rs.146,072 recoverable from two officers who had vacated their posts in the years 1999 and 2010 and an officer who had retired in the year 2014.

3.3 Good Governance and Accountability

3.3.1 Annual Procurement Plan

Even though a difference was observed between the estimated expenditure and the actual expenditure in the year under review according to the Procurement Plan, the Procurement Plan had not been reviewed and updated accordingly.

3.3.2 Internal Audit

The following observations are made.

- (a) Even though an Internal Audit Plan had been prepared by the Internal Audit Unit of the Department, internal audit had not been carried out in the year 2015.
- (b) The Internal Audit Unit had comprised only two Assistant Officers and it had been inoperative due to failure in taking action to appoint an Internal Auditor.

3.4 Assets Management

Action had not been taken to vest the ownership of lands relating to 16 regional offices maintained by the Department.

3.5 Non-compliances

Non-compliances with Laws, Rules, Regulations etc.

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

Reference to Laws, Rules, and Regulations	Value	Non-compliance
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	Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		

Financial Regulation 214	-	Liabilities had not been recorded in a Register of Liabilities so as to enable regular examination of liabilities.
(b) Treasury Circulars		

(i) Paragraph 03(a) of Circular No. 01/2015/01 of 15 May 2015	1,303,088	The incidental allowance can be paid to an officer who proceeded abroad only when incidental allowances are not paid by the foreign government or the granting institution. Despite the expenditure incurred by the Government of China for 11 officers who toured China in the year under review, the relevant officers had been paid Rs.1,303,088 at the rate of US\$ 40 per day.

- (ii) Circular No.2001/03/MF/PA 2 of 02 July 2001
- Even though a report relating to the foreign tour or training should be submitted to the Ministry of Finance within 2 weeks of returning from the training and foreign tour, 07 officers had not acted accordingly.

3.6 Performance

According to the Budget Estimate and the Action Plan of the year 2015, the observations on the progress of the Department appear below.

(a) Key Functions not Performed Adequately

Doppler Radar System

The following observations are made.

- (i) Even though all mechanical installations of the Doppler Radar System had been completed by 11 October 2013, the power supply had not been commenced and the Radar System had not been brought to operating position by 23 March 2016. A fruitless expenditure of Rs.402.83 million had been spent thereon.
- (ii) It was observed by the tests carried out in this connection that certain essential parts of the Radar System should have been repaired. Accordingly, the Director General of the Department had informed that action is being taken to get down those parts from the Gongala mountain peak where the system was installed. It was revealed during further examinations carried out thereon that 08 items of equipment valued at Rs.9.15 million had been stolen by outside parties by 29 January 2016.
- (iii) Even though the Trust Fund Agreement relating to the purchase of the Radar System, entered into for 05 years with the World Meteorological Organization and the Ministry of Disaster Management and Human Rights, Sri Lanka had terminated, a new agreement had not been entered into even by 23 March 2016.
- (iv) The insurance coverage valued at Rs.142.68 million obtained from the Insurance Corporation of Sri Lanka in this connection had matured on 31 March 2014 and action had not been taken either to extend its date or to obtain a new insurance coverage.
- (v) The building for the Radar Centre in which this System had been established, had not been properly handed over even by 30 April 2016 by its contractor, the Central Engineering Consultancy Bureau.

(b) Construction of Buildings

The following observations are made.

(i) Construction of the Meteorological Office in Trincomalee

The following deficiencies were observed during the course of audit test checks carried out in this connection.

- The Approved Plan relating to the construction of the Meteorological Office in Trincomalee had not been presented to audit.
- Even though a proper contract agreement should be entered into after issuing a Letter of Acceptance in respect of this construction, it had not been so done.

(ii) Construction of Quarters of the Nuwara Eliya Circuit Keeper

The following deficiencies were observed during the course of audit test check carried out in this connection.

- The above mentioned contract had been awarded to the Department of Buildings for a cost of Rs.3,950,000 by the Department of Meteorology without obtaining a Detailed Engineering Estimate. Even though the agreement in this connection had been signed on 12 July 2013, a sum of Rs.1,975,000 had been paid before that date, on 15 October 2012 by the Department of Meteorology to the Department of Buildings. Even though these constructions had not been completed even by 31 December 2015, the Department of Meteorology had agreed to increase the estimated amount to Rs.5,445,000 due to additional constructions.
- The contract amounts could not be settled to the Department of Buildings due to failure in making provisions for the year 2013. As such, an additional amount of Rs.1,495,000 had to be paid.

3.7 Human Resources Management

Approved Cadre and Actual Cadre

Cadre Position as at 31 December 2015 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	54	47	7
(ii)	Tertiary Level	238	198	40
(iii)	Secondary Level	29	8	21
(iv)	Primary Level	139	116	23
	Total	460	369	91