

Report of the Auditor General on Head 212 –Department of Examinations - Year 2016

The audit of the Appropriation Account, Revenue Account and the Reconciliation statements including the financial records, books, registers and other records of the Head 212-Department of Examinations for the year ended 31 December 2016 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 was issued to the Commissioner General of Examinations on 14 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 Responsibilities 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, Revenue 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 Department amounted to Rs.3,260.65 million and out of that Rs.3,181.22 million had been utilized by the end of the year under review. Accordingly the savings out of the net provision made for the Department amounted to Rs.79.43 million and represented 2.44 per cent of the net provision. Details are given below.

Expenditure	As at 31 December 2016			Savings as a percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Million	Rs. Million	Rs. Million	
Recurrent	2,925.51	2,894.20	31.31	1.07
Capital	335.14	287.02	48.12	14.36
Total	3,260.65	3,181.22	79.43	2.44

2.2 Revenue Account

Estimated and Actual Revenue

The Department had prepared Revenue estimate totalling Rs.300 million in respect of the Revenue Code No.20.03.02.13 for the year 2016 and revenue totalling Rs.392.16 million had been collected during the year under review. It represented 130.72 per cent of the estimated revenue. Details appear below.

Revenue Code	As at 31 December 2016			Excess as a Percentage of the Estimate
	Estimated Revenue	Actual Revenue	Excess	
	Rs. Million	Rs. Million	Rs. Million	
20.03.02.13	300.00	392.16	92.16	30.72

2.3 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No.21201 of the Department and the actual values are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
23.01	23.00	15.00	19.28	100.00	65.29

2.4 General Deposit Account

The balances of the 03 General Deposit Accounts of the Department as at 31 December 2016 totalled Rs.1.34 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2016
	Rs.Million
6000/0000/00/0002/0105/000	0.28
6000/0000/00/0016/0053/000	0.87
6000/0000/00/0018/0115/000	0.19
Total	1.34

2.5 Audit Observation

The Appropriation Account ,Revenue Account and the Reconciliation Statements of the Department of Examinations for the year ended 31 December 2016, had been prepared satisfactorily subject to the audit observations, appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit observations out of the audit observations included in the Management Audit Reports appear in paragraph 3 .

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

The Ministry had not maintained and updated the Record of Losses in terms of Financial Regulations 110.

3.2 Revenue Account

The Half Yearly Arrears of Revenue relating to the Revenue Code No.20.03.02.13 prepared in terms of Financial Regulation 128(2) (b) had not been forwarded to the Auditor General with a copy to the Director General of the Treasury Department of Fiscal Policy within the ensuing month.

3.3 Reconciliation Statement of the Advances to Public Officers Account

According to the audit test check carried out relevant to the Reconciliation Statement of the Advances to Public Officers Account Item No.21201 as at 31 December 2016, the balances outstanding as at that date amounted to Rs.982,030 . Even though those outstanding balances remained more than 03 years, The Department had failed to recover the outstanding balances.

3.4 Non-compliances

Non-compliance with Laws and Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of 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		

(i) Financial Regulation 104		
	145,254	The preliminary inquiries in respect of 02 vehicles met with an accident had not been instituted.

(ii) Financial Regulation 396(d)	733,413	Action in terms of Financial Regulation had not been taken in respect of 314 cheques issued but not furnished to the Bank and exceeded 06 months period.
 (b) Government Procurement Guidelines -----		
(i) Guideline 5.4.12	45,581,355	The Value Added Tax had been paid for the supplies carried out by the Department in the year 2016. The monthly reports on that taxes had not been presented to the Commissioner General of Inland Revenue with a copy to the Auditor General.

3.5 Management Weaknesses

The following weaknesses were observed during the audit test checks carried out.

- (a) In the preparation of the structures for the question papers and prototype questions for the G.C.E Ordinary Level Examination conduct in the year 2016 and afterwards, the question papers had been prepared without conducting the workshops for the obtaining of the specialists know-how for each subject for the subjects such as Pali, French, Japanese and Arabic .
- (b) Even though plans had been made for the distribution of 6,148 copies of prototype questions of Sinhala and Tamil medium by 98 Zonal Education Directors to 6,148 schools, 1996 principals belonging to 27 zones had not been confirmed as those books received .
- (c) Question papers and answer sheets for the institutional examinations conducted by the Department are distributed by the Post Offices to the Chief Invigilators and the following deficiencies were revealed at the physical audit test check carried out.
 - (i) Stationeries had been posted for the examinations which were postponed, as a proper co-ordination was not between the organization, conduct of examinations and posting of stationeries .
 - (ii) Examination stationeries remained after the use of institutional examinations which were returned to the stores, had not been recorded.

3.6 Human Resources Management

Approved Cadre and Actual Cadre

The cadre position as at 31 December 2016 is as follows.

<u>Category of Employee</u>	<u>Approved Cadre</u>	<u>Actual Cadre</u>	<u>No.of Vacancies</u>	<u>No.of Excess Cadre</u>
(i) Senior Level	85	64	21	-
(ii) Tertiary Level	18	10	08	-
(iii) Secondary Level	415	325	90	-
(iv) Primary Level	164	156	08	-
(v) Other (Casual/Temporary/Contract basis)	-	28	-	28
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Total	<u>682</u>	<u>583</u>	<u>127</u>	<u>28</u>