

## **Report of the Auditor General on Head 161-Ministry of Sustainable Development and Wildlife- Year 2016**

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The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 161- Ministry of Sustainable Development and Wildlife for the year ended 31 December 2016 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 18 July 2017. 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 substantive tests of samples of transactions. The scope and the extent of such review and tests were arranged to enable an audit as wide 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**

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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 also 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**

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### **2.1 Appropriation account**

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#### **Total Provision and Expenditure**

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The total net provision made for the Ministry amounted to Rs. 274.54 million out of which a sum of Rs. 223.42 million had been utilized as at the end of the year under review. Accordingly, a provision of Rs. 51.12 million or 18.62 per cent of the total net provision made for the Ministry had been saved. Particulars are given below.

Expenditure	As at 31 December 2016			Saving as a Percentage of Net Provision
	Net Provision	Utilization	Saving	
	Rs. Million	Rs. Million	Rs. Million	
Recurrent	174.36	166.31	8.05	4.62
Capital	100.18	57.11	43.07	42.99
Total	274.54	223.42	51.12	18.62

## 2.2 Advances to Public Officers Account

### Limits authorized by Parliament

Limits authorized by Parliament in respect of Advances to Public Officers Account under the item No.16101 relating to the Ministry and the actual values are as follows.

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
5.00	3.80	2.00	3.10	25.00	8.87

## 2.3 Imprest Account

The balance of the Imprest Account No.7002/0000/00/418/0016/000 of the Ministry as at 31 December 2016 was amounted to Rs. 6.54 million.

## 2.4 General Deposit Account

The balance of 03 Deposit Accounts under the Ministry as at 31 December 2016 had totalled to Rs. 27.667 million. Particulars are given below.

<b>Account Number</b> -----	<b>Balance as at 31 December 2016</b> -----
	<b>Rs. Million</b>
6000/0000/00/0013/0104/000	27.554
6000/0000/00/0016/0097/000	0.059
6000/0000/00/0018/0100/000	0.054
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<b>Total</b>	<b>27.667</b> =====

## 2.5 Audit Observation

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The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2016 of the Ministry of Sustainable Development and Wildlife 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 included in the Management Audit Report appear in Paragraph 3.

## 3. Material and Significant Audit Observations

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### 3.1 Appropriation Account

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#### 3.1.1 Budget Variance

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Following observations are made.

- (a) As excess provisions had been made for 10 Objects, the saving after utilizing provisions was within the range of 12 per cent to 55 per cent of the net provision made for those Objects.
- (b) Thirty five per cent of the above mentioned capital expenditure savings had been saved due to the inability to purchase an official vehicle for the Minister within the year under review as the delay caused by referring the procurement process for purchasing an official vehicle to the Minister to the Department of Public Finance and the Procurement Commission.

### 3.2 Imprest Account

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Following observations are made.

- (a) According to the Summary Report of Imprest Accounts, the unsettled sub imprest of the Ministry of Agrarian Services and Wildlife as at 31 December 2016 was Rs.29,000.
- (b) An excess amount of Rs. 92,850 had been paid to 03 employees as advances as the expected expenditure was not estimated more accurately.

### 3.3 General Deposit Account

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Deposits over 2 years aggregating to Rs. 25,507,736 were included in the General Deposit Account as at 31 December 2016. Even though out of which a sum of Rs. 25,000,000 was payable to a state corporation for a construction work, it had been brought forward as an unsettled balance as imprest had not been released by the Department of Treasury Operations. Actions regarding the balance of Rs. 507,736 had not been taken in terms of the Financial Regulation 571.

### 3.4 Reconciliation Statement of the Advances to Public Officers Account

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The loan balance of retired officers of the Advance to Public Officers Account as at 31 December 2016 was Rs. 414, 275. Out of which a balance of Rs. 295,691 remained unsettled over one year had not been recovered even at the end of the year under review.

### 3.5 Assets Management

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Following deficiencies were observed at the sample audit test carried out with regard to assets of the Ministry.

(a) **Idle and Under-utilized Assets**

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A motor vehicle owned to the Ministry was idled or underutilized for over 2 ½ years. Twenty six other assets owned to the Ministry were in the position of unusable as at 31 December 2016.

(b) **Assets Given to Outside Parties**

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Five motor vehicles which owned to the Ministry and released to the Sports Ministry and the Ministry of Tourism Development and Christian Affairs had not been returned to the Ministry even up to 30 June 2017.

(c) **Irregular Use of Assets Owned to Other Institutions**

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Instances where the motor vehicles owned to other institutions had been used by the Ministry without proper approval were observed at the sample audit tests. Details are given below.

<b>Institution Which the Asset Owned to</b>	<b>Number</b>	<b>Period of Time</b>
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Gemi Diriya Foundation	01	Not mentioned
Ministry of Tourism and Sports	01	
Ministry of Parliament Affairs	01	

State Ministry of Public Administration and Democratic Rule 02

Department of Wildlife Resources Conservation 01

Ministry of Constitutional Affairs and National Integration 01

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**(d) Irregular Use of Assets Not Vested**

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Eight vehicles owned to the Ministry of Botanical Gardens and Public Recreations and the Ministry of Agrarian Services and Wildlife had not been properly taken over by the new Ministry even up to 30 June 2017.

**(e) Unsettled Liabilities**

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(i) The unsettled liabilities of the Ministry less than one year amounted to Rs. 1,090,208 as at 31 December 2016.

(ii) Contrary to the Financial Regulation 94 (1), an amount of Rs. 578,620 had been committed by exceeding the saving after utilizing the provisions made in respect of 08 expenditure Objects.

**3.6 Non-compliances**

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**Non-compliances with Laws, Rules and Regulations**

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Regardless of the provisions of the Circular for Public Expenditure Management of the Office of President's Secretary No. CA/1/17 /1 of 14 May 2010, a pool vehicle had been assigned for the use of the Minister and the Ministry office even though the maximum number of vehicles entitled to the Minister and the staff had been assigned.

**3.7 Performance**

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According to the Annual Budget Estimate and the Action Plan of the year 2016, observations of the progress of the Ministry are shown below.

**(a) Main Activities Not Fulfilled Sufficiently**

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The Ministry had not fulfilled its main activities included in the Estimate of the year 2016 sufficiently and the several instances so observed are shown below.

- (i) Sri Lanka Sustainable Development Act for building up a legal framework to confirm the formulation of the national policy and the strategy for sustainable development and the development and implementation of the national policy and the strategy for sustainable development had not been able to enact even up to 30 June 2017.
- (ii) Even though an Action Plan had been prepared for the year 2016, it had not included regarding the achievement of sustainable development goals. However, an amount of Rs. 13,660,540 had been spent during the year 2016 for the officers participated to seminars, meetings and foreign seminars conducted on Sustainable Development.
- (iii) Adequate actions had not been taken during the year 2016 to achieve sustainable development goals or targets in other provinces except Central province other provinces or regional level.

### 3.8 Human Resources Management

#### a. Approved and the Actual Cadre

Cadre position of the Ministry of Sustainable Development and Wildlife as at 31 December 2016 is as follows.

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
(i)	Senior Level	21	13	8
(ii)	Tertiary Level	3	3	-
(iii)	Secondary Level	53	39	14
(iv)	Primary Level	32	26	6
	<b>Total</b>	<b>109</b>	<b>81</b>	<b>28</b>

The Ministry had not taken actions to fill 28 vacancies as at the end of the year under review and out of which the entire 12 approved cadre of the Sustainable Development Division had been vacant.