

Report of the Auditor General on Head 204 – Department of Hindu Religious and Cultural Affairs - Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 204 - Department of Hindu Religious and Cultural Affairs 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 Director of the Department on 10 August 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 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 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 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.237.14 million and out of that a sum of Rs.226.80 million had been utilized by the end of the year under review. Accordingly, provisions of Rs.10.34 million or 4.36 per cent out of the total net provision made for the Department had been saved. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	139.35	131.70	7.65	5.49
Capital	97.79	95.10	2.69	2.75
Total	237.14	226.80	10.34	4.36

2.2. Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No. 20401 and the actual amounts are given 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
4.50	4.50	2.50	3.26	18.00	9.72

2.3 General Deposit Account

The balances of the 02 Deposit Accounts under the Department as at 31 December 2016 totalled to Rs.12,200. Details appear below.

Deposit Account Number	Balance as at 31 December 2016
	Rs.
6000/0000/00/0002/0169/000	5,000
6000/0000/00/0013/0124/000	7,200

	<u>12,200</u>

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2016 of the Department of Hindu Religious and Cultural 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 important 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

Excess provisions had been made for 05 Objects and as such the savings after the utilization of provisions ranged between 19 per cent to 49 per cent of the provisions.

3.2 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account, Item No.20401 as at 31 December 2016 the balances that remained outstanding as at that date totalled Rs.86,931. Even though those outstanding balances remained over a periods ranging from 17 to 27 years, the Department had failed to recover those balances.

3.3 Good Governance and Accountability

3.3.1 Implementation of Audit and Management Committee

In terms of the Audit and Management Circular No.DMA 2009 (i) dated 06 June 2009 the Audit and Management Committee meetings should be conducted once in a quarter at least 4 times annually, the meetings of the Audit and Management Committee had not been conducted by the Department during the year under review.

3.3.2 Annual Performance Report

Even though, the Performance Report should be tabled in Parliament by the Department within 150 days after the closure of the financial year, in terms of the Public Finance Circular No 402 dated 12 September 2002, the Performance Report had not been tabled in Parliament even by 30 June 2017.

3.4 Assets Management

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

(a) Idle and Under utilized Assets

Even though, there were 4 vehicles in the Department, only 2 drivers had been made available and as such there were difficulties in running the vehicles in full time.

(b) Conduct of Annual Boards of Survey

In terms of the Public Finance Circular No.05/2016 dated 31 March 2016, the Boards of Survey for the year 2016 should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2017. Nevertheless, the Boards of Survey on the Library books of the Department had not been conducted even by 30 June 2017.

3.5 Performance

The observations on the progress of the Department according to the Annual Budget Estimate and Action Plan for the year 2016 are given below.

3.5.1 Planning

The instances of non-execution of the expected objectives according to the Action Plan prepared in terms of the Public Finance Circular No. 1/2014 dated 17 February 2014 were observed. Details appear below.

Activity	Key Performance Indicators (KPI)	Target Achieved
-----	-----	-----
Printing and Distribution of Hindu Religious Books.	Printing and Distribution of 25,000 Text Books	Had printed 12,872 Text Books
Conducting Leadership Training Programmes for Hindu Youth Community.	Training of 200 Youth Community	Had Trained 119 youth community only.
Conducting classes on Hindu Culture.	Conducting classes for 100 students	Had participated 16 students only.

3.6 Losses and Damage

Investigations had not been carried out in terms of the Financial Regulations 101 and 102 in respect of 350 library books lost and the value could not be ascertained, which identified by the Boards of Survey in the year 2008.

3.7 Management Weaknesses

3.7.1 Providing Grants to the Hindu Kovils

Even though one main function of the Department is providing financial assistance to the kovils, an arrangement had not been followed to identify the kovils which required the assistance while the funds had been granted on the requests made by the kovils.

3.8 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2016 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	06	05	01
(ii)	Tertiary Level	01	-	01
(iii)	Secondary Level	154	128	26
(iv)	Primary Level	23	16	07
	Total	184	149	35
		=====	====	=====

The following observation is made.

Nine vacancies in the Posts of Senior, Secondary and Primary levels had remained unchanged for nearly 3 years period and action had not been taken by the Department either to recruit employees according to that vacancies or to amend the approved cadre if not required such recruitments