

Report of the Auditor General on Head 217 – Department of Probation and Childcare Services - Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 217 – Department of Probation and Childcare 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 Commissioner of the Department on 29 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 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 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.309.16 million and out of that, a sum of Rs.304.67 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions amounted to Rs.4.49 million or 1.45 per cent. Details are given 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 | 290.18 | 286.07 | 4.11 | 1.42 |
| Capital | 18.98 | 18.60 | 0.38 | 2.00 |
| Total | 309.16 | 304.67 | 4.49 | 1.45 |

2.2 Advances to Public Officers Account

Limits Authorised by Parliament

The limits authorised by Parliament for the Advances to Public Officers Account, Item No.21701 relating to the Department 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 |
| 14.50 | 14.50 | 9.00 | 9.88 | 60.00 | 45.67 |

2.3 Audit Observation

The Appropriation Account and Reconciliation Statements of the Department of Probation and Childcare Services for the year ended 31 December 2016 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 audit 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 in an Updated Manner

Even though a Register of Fixed Assets had been maintained by the Department, it had not been updated in terms of Treasury Circular No.842 of 19 December 1978.

3.2 Appropriation Account

Expenditure incurred under Other Objects

Motor vehicles maintenance expenditure totalling Rs.198,979 incurred under Object No.217-1-1-1301 on Recurrent Expenditure had been incurred under Capital Object No.217-1-1-2003 (repairing and improving).

3.3 Lack of Evidence for Audit

A sum of Rs.10.94 million had been released in the year under review for implementing 297 Security Plans prepared for children of risk condition within the area of authority of the District Secretariats under the Expenditure Head of the Plan for the Social Security of Children and the Expenditure Head of the Ministry of Child and Women's Affairs by the Department of Probation and Childcare Services. However, the Department was not equipped with a proper methodology in confirming whether the requirements of the Security Plan

prepared for children of risk condition had been fulfilled. Moreover, it was not confirmed to audit whether a follow up action had been carried out in that connection.

3.4 Good Governance and Accountability

Annual Procurement Plan

In terms of paragraph 4 of the National Budget Circular No.128 of 24 March 2006, a detailed Procurement Plan had not been prepared for the year 2016.

4. Performance

The observations relating to the Annual Budget Estimate, Action Plan and the progress of the Department of the year 2016 are as follows.

(a) Deviation from the Functions of the Main Objectives

The mission of the Department is to act as a national mechanism by coordinating the activities such as formulation, implementation, follow up actions, evaluation of policies to ensure opportunities while safeguarding the rights, complete development and the security of children who are turned destitute, abandoned and helpless and other children confronted with legal issues in the social background in Sri Lanka in accordance with the international standards. Even though 60 years had lapsed since the commencement of the Department in 1956, preparation of a national policy and formulation of laws in accordance with the Global Charter relating to protection of the children's rights had not been carried out even by the year 2016.

(b) Key Functions not executed adequately

The following observations are made.

- (i) Provisions of Rs.500,000 had been made by the Annual Action Plan of the year 2016 for conducting welfare programmes for the street children and 15 programmes relating thereto had been targeted to be conducted during the year. Only 05 programmes had been conducted in the year under review by spending the entire provisions made. Reports on expenditure and progress that the said programmes had been conducted, had not been summoned to the Department. As such, documentary evidence that the relevant programs were conducted, had not been made available to audit.
- (ii) The registered number of children's societies by the end of the year under review stood at 4,027. A sum of Rs.3.4 million had been provided to District Secretariats for establishment of Children's Councils, active function of Children's societies and reorganization. However, introduction of a suitable programme prepared in a manner in respect of the going concern of the Children's societies and directing the officers in its function had not been carried out.

- (iii) Full term resolutions had been made for only 7,031 complains out of 11,054 cases of child abuse reported to the Department in the year under review. Short term resolutions had been made for 2,419 complains and resolutions had not been made for 58 complains. Other institutions had been referred to for resolutions in respect of 1,551 complains. Nevertheless, the Department had not taken follow up action on the resolutions made in respect of those children.
- (iv) Even though the Department had spent a sum of Rs.4.98 million for 3 researches in the year 2016, programmes/projects adequate for implementing recommendations and conclusions obtained from the reports of the said researches, had not been planned and implemented.

5. Human Resources Management

----- Approved Cadre and Actual Cadre -----

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

| Category of Employees | Approved Cadre | Actual Cadre | Number of Vacancies |
|-----------------------|-------------------|-----------------|------------------------|
| ----- | ----- | ----- | ----- |
| (i) Senior Level | 6 | 3 | 3 |
| (ii) Tertiary Level | 238 | 234 | 4 |
| (iii) Secondary Level | 226 | 195 | 31 |
| (iv) Primary Level | 17 | 12 | 5 |
| | | | |
| Total | 487 | 444 | 43 |
| | ===== | ===== | ===== |

Forty three vacancies existed in the approved cadre by the end of the year under review and out of them, 3 posts in Senior Level were vacant. As such, preparation of plans and supervision had not been properly carried out and deficiencies in implementation of plans as well had been observed due to vacancies in 31 posts in Secondary Level.