

Report of the Auditor General on Head 329 – Department of Information Technology Management - Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records books, registers and other records of the Head 329 – Department of Information Technology Management 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 General of the Department on 14 August 2017. The audit observations, comments and findings on the 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 and Public Finance and Administrative Regulations. This responsibility includes; designing, implementing, 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. 39.40 million and out of that a sum Rs. 30.80 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Department amounted to Rs. 8.60 million or 21.83 per cent. 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	37.16	28.65	8.51	22.90
Capital	2.24	2.15	0.09	4.02
Total	39.40	30.80	8.60	21.83

2.2 Advances to Public Officers Account

Limits Authorized by the Parliament

Limits authorized by Parliament for the Advances to Public Officers Account Item No. 32901 of the Department and 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
2.00	1.86	0.30	0.80	8.00	3.79

2.3 Imprest Account

Balance of the Imprest Account No. 7002/0000/00/0429/0016/000 of the Department as at 31 December 2016 amounted to Rs. 0.06 million.

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2016 of the Department of Information Technology Management 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 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

In terms of Section 6.4 of National Budget Circular No. 01/2014 of 1 of January 2014 the availability of adequate provisions under the relevant. Objects should be confirmed before incurring commitments. Despite the availability of adequate provisions commitments exceeding the savings under 03 Objects, by a sum of Rs. 246,686 had been incurred.

3.2 Performance

The observations on the progress of the Department according to the Action Plan and Performance Report for the year 2016, are given below.

- (a) Even though it had been expected to develop a Local Area Network System is the Ministry provision under the Information Technology Infrastructure Facilities Improvement, such system had not been developed during the year under review.

- (b) Action had not been taken to amalgamate the revenue earning Departments and Treasury Management System.

5. 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
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(i) Senior Level	09	02	07
(ii) Tertiary Level	07	03	04
(iii) Secondary Level	19	13	06
(iv) Primary Level	08	05	03
(v) Other (Casual/ Temporary/ Contract Basis)	02	02	00
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Total	45	25	20
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The following observations are made.

- (a) Action had not been taken to fill the twenty vacancies including 07 Senior Level vacancies.
- (b) Even though officers had been attached to the Posts of the Assistant Public Officer, the Programmes Assistant and the Science and Technology Officer which are extraneous to the posts in the approval posts of the Department, the Department had not taken action even by 31 December 2016 to obtain approval for this posts.

- (c) Even though the Assistant Public Officer and the Science Technology Officer recruited by the Ministry of Science Technology and Research, and serving in the respective posts had been subsequently transferred to the Department of Information Technology Management on the basis of absorption to the Posts of Development Officers, action for absorption of those officers to those posts have not been taken even by 31 December 2016.