

Head 236 - Report of the Auditor General on Department of Official Languages - Year 2017

The audit of the Appropriation Account and the Reconciliation statement under Head and Item Number stated in the First schedule and Third schedule of the Appropriation Act No. 24 of 2016 as amended by the Appropriation (Amendment) Act No. 32 of 2017 were presented to audit by Department of Official Languages. The financial and physical performance reflected from the account and the reconciliation statement were audited in terms of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.2 Responsibility on the Financial Management and Accountability of the Chief Accounting Officer and Accounting Officer

The Minister of Finance is charged with the raising of Revenue and the collection of other Government monies as well as with the general oversight of all the financial operations of Government in terms of Financial Regulation 124. The Minister of Finance appoints the Chief Accounting Officers to discharge above responsibility in terms of Financial Regulation 124 (2). The Head of the Department will be the Accounting Officer in respect of all financial transactions of his Department in terms of Financial Regulation 125(1) (a) and the Revenue Accounting Officer has been appointed by the Treasury. This responsibility includes designing, implementing and maintaining internal controls relevant to the maintenance, preparation and fair presentation of Accounts and Reconciliation Statements presented within the limitations imposed by Parliament in accordance with the provisions in Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions, Government Financial Regulations and Administrative Regulations.

1.3 Scope of Audit

The audit of the Head 236 of the Department of Official Languages for the year ended 31 December 2017 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in respect of designing of financial and physical performance, Government expenditure, Government revenue, management of human and physical resources, applying of internal control systems, compliance with laws, rules and regulations and maintenance of updated books, registers, records and reconciliation statements, preparation and presentation of accounts in timely manner, issuance of performance reports to respective parties based on the performance indicators. The Management Audit Report for the year under review was issued to the Director General of the Department on 05 September 2018. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the plans, accounts, reconciliation statements and performance reports 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 audit coverage as possible within the limitations of staff, other resources and time available to me.

1.4 Audit Observation

The audit observations of the Department of Official Languages for the year ended 31 December 2017 revealed in audit, appear in Management Audit Report mentioned in detail. The material and significant audit observations out of the audit observations included in the Management Audit Report appear in Paragraphs 2.1 to 2.18 of this report. The audit observations revealed in the execution of accountability as the Chief Accounting Officer in accordance with provisions of the Financial Regulation 127 of the Democratic Socialist Republic of Sri Lanka, to ensure the adequacy of the financial administration are summarized and shown in the under mentioned table.

Accountability of the Chief Accounting Officer in terms of Financial Regulation 128 (1)	Non - compliance with that Provision made by the Chief Accounting Officer	Reference to the Paragraph included Observation
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Financial Regulations		

128 (1) (a)	<p>The work of his department is planned and carried out with due dispatch, having regard to the policy laid down by the Government and the intentions of parliament in granting him financial provision for the activities authorized, and that an endeavor is made to complete the programme of work laid down for the year and/or to attain the targets specified.</p>	<p>1. Action Plan had not been prepared correctly. 2.1 2.2 (a)</p> <p>2. Failure to achieve the expected level of output. 2.2 (b)</p>
128 (1) (b)	<p>The organization for financial control and accounting in his department is effective, and provides adequately for the correct ascertainment, where necessary, of dues to government, the systematic, complete and prompt collection of dues, and bringing to account of monies received, the authorization of commitments on behalf of the Government, the supervision and examination of services and supplies rendered, and the prompt and correct payment therefor from public funds.</p>	<p>1. Shortcomings in the implementation of the procurement process. 2.4.1</p> <p>2. Deficiencies in rendering services to the public. 2.9</p>

128 (1) (c)	The Financial Regulations and other supplementary instructions of the Government are adhered to in his department, and that they are supplemented by departmental instructions, where necessary.	1. Records and books not maintained. 2. Non compliances	2.13 2.14
128 (1) (e)	Adequate and proper arrangements are made for the safe custody and preservation of money, stores, equipment and other assets belonging to the Government, or are in its custody, and that these are verified from time to time, and, where they are disposed of, such disposal is according to prescribed Regulations and instructions.	Deficiencies in assets management	2.5 (a) (i) (ii)
128 (1) (h)	Special arrangement are made to recover outstanding dues and that the officers assigned that task report to him at least once a quarter or as otherwise directed regarding arrears and action pursued to expedite their recovery	Recovery of arrears loan balances of public officers' Advance Account.	2.11
128 (1) (i)	The activities of his department are undertaken with due regard to economy, efficiency, propriety and integrity expected in the transaction of public business	Uneconomic transactions	2.8
128 (1) (m)	An Appropriation Account is rendered to the chief Accounting officer at the end of the financial year in respect of each programme of a head of Expenditure for which he is responsible as accounting officer	Shortcomings appear on Appropriation Account	2.10 2.12
128 (1) (n)	Officers liable to provide security do so in terms of the law and instructions in force	Deficiencies in receiving securities from relevant officers	2.18

The procedure laid down in financial regulations 103 to 108 is adhered to in case of losses to government by the delays, negligence, faults of frauds on the part of officers / employees and surcharges are imposed on officers / employees responsible for such losses in terms of financial Regulation 156 (1)

2. Material and Significant Audit Observations

2.1 Performance

Planning

Action Plan for the year 2017 had been prepared according to the Public Finance circular No 01/2014 of 17 February 2014. In that plan only 5 functions from 7 key functions expected to be performed by the department had been included in preparing the annual action plan and Rs. 58 million had been provided for that.

2.2 Functions not executed

The following observations are made.

(a) Functions including in action plan not being executed

- (i) Only the activity of “supply of Sinhala / English work books for translators ” had not been implemented from the 17 planned activities according to the 5 key functions of Annual action plan and Rs. 0.200 million had been provided for that.
- (ii) Eventhough a sum of Rs. 279,750 had been spent on designing, page setting and sales activities of a CD including spoken vocabulary, that activity had not been included to the Annual action plan for the year 2017.

(b) Failure to achieve the Expected Level of Output

Eventhough a sum of Rs. 34.77 million had been utilized for executing 16 activities of 5 key functions in the Annual action plan, expected output level of 6 activities from that 4 key functions had not been achieved.

2.3 Sustainable Development

Achieving objectives of sustainable Development

The following observations are made.

- (a) Each public institution should act in accordance with the year 2030 “Agenda” of the United Nations for sustainable Development, the Department of Official Languages had

not been aware of how to deal with its activities under its scope in respect of the year under review.

- (b) Although it has been stated that the Sustainable Development objectives are not related to the scope of the Department, it should respond regarding the objective “ Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all ” of Sustainable Development in relation to Vision, Mission and key functions of the Department but it had not been carried out as it is supposed to be carried out.

2.4 Supplies and services obtained through procurement procedure

A sum of Rs. 24.86 million had been provided and Rs. 15.92 million provisions had been utilized by the Department of Official Languages for the supplies and services to be acquired according to the public procurement guidelines. According to that a sum of Rs. 8.94 million or 35.96 per cent of provision from the provision had been saved.

2.4.1 Implementation of the procurement process

Regarding 3 procurement activities at a (a)(a)(a) Rs. 266,050 had been purchased without calling necessary quotation according to the guidelines 2.14.1 of the public procurement manual.

2.5 Assets Management

The following deficiencies were revealed during the sample audit checks regarding the assets of the Department of Official Languages.

(i) **Vehicle Utilization**

Three vehicles that remained in the Department of Official Languages at the end of the year under review and those vehicles had run 36,379 kilometres. A total Rs. 1,384,359 had been spent on expenses such as Rs. 231,542 for fuel and lubricant oil, Rs. 87,910 for vehicle servicing, Rs. 681,471 for vehicle repairing and Rs. 383,436 for vehicle insuring. According to that the department had spent a Rs. 38.05 for a kilometre without drivers' wages and allowances for running vehicles.

(ii) **Fuel combustion not examined**

Fuel combustion of the vehicles had not been examined according to the paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016.

2.6 Commitments and liabilities

Total liabilities of Rs. 40,277 in relation to 3 objects had been paid without allocation in the year 2018 according to paragraph 02 (c) of the State Accounts Circular No. 255/2017 dated 27 April 2017.

2.7 Losses and Damages

A loss of Rs. 68,409 had been occurred due to an accident of carelessness by the van driver and a lot of table glasses worth of at a Rs. 48,782 had been broken on the carelessness of a driver and a officer in the year under review. Equality of only ten per cent of this total damage of Rs. 117,191 had been recovered from relevant parties and had not been confirmed in audit.

2.8 Uneconomic Transactions

The following observations are made.

- (a) Eventhough an amount of Rs. 285,851 and an amount of Rs. 49,497 had been spent respectively for the seminars held in, “Waters Age” and Department for preparing a ten year plan by the Department of Official Languages, that plan had not been prepared even by the end of July 2018. Furthermore Rs. 7,200 had been paid as resource allowances for three officers of the Department who attended during the office time.
- (b) Eventhough hall facilities at a Rs. 28,600 for holding workshops can be obtained for create a training officers pool of Language facility providers, in the reasons of obtaining higher valued hall facilities at a Rs. 74,800 an additional cost of Rs. 46,200 had been beared by the Department.
- (c) The Utilization of Lunch sheets had been identified as not friendly to the environment, to minimize this situation lunch boxes had been purchased for 124 officers of the Department by spending an amount of Rs. 66,900 and during physical examination only 11 officers had been using that container and the expected objective had not been achieved.

2.9 Execution of services to public

The following observations were made.

- (a) Eventhough an officer had been appointed for supplying information to public in terms of the Act of information, two public complaints had been received in the year 2017 and two months had been spent for supplying of information for one of them.
- (b) A system for raising awareness necessarily and receiving public complaints had not been prepared to design a website for the Department of Official Languages.

2.10 Utilization of provisions made available by parliament to execute the activities

The details in respect to the provisions made available, utilization and savings during the period of 05 years for the years ended 31 December 2017 and the audit observations there on are as follows.

Year	Expenditure category	Net provision	Utilization	Saving	Saving as a percentage of the net provision
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		Rs. Million	Rs. Million	Rs. Million	
2013	Recurrent	84	63	21	25
	Capital	35	23	12	34
	Total	119	86	33	28
2014	Recurrent	72	71	01	01
	Capital	31	25	06	19
	Total	103	96	07	07
2015	Recurrent	97	91	06	06
	Capital	40	39	01	03
	Total	137	130	07	05
2016	Recurrent	101	95	06	06
	Capital	45	41	04	09
	Total	146	136	10	07
2017	Recurrent	137	132	05	04
	Capital	36	21	15	42
	Total	173	153	20	12

Appropriation Account

Over Provision made available

As the over provision made available totaled to an amount of Rs. 0.869 million for 07 objects and out of provisions relating to those objects, a total amount of Rs. 53.88 million only had been utilized, the savings had ranged from 12 to 90 per cent from the net provision made available.

2.11 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department Item No.23601 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
7.5	7.47	4.0	4.39	25.0	21.3

Non - recovery of outstanding loan balances

According to the reconciliation statement presented to the audit, the balances remained outstanding as that date totaled to Rs. 74,116 except to the loan balances of officers who transferred and that outstanding balance remained for more than 05 years.

2.12 General Deposits Account

The total of the balances of 04 General Deposit Accounts under the department as at 31 December 2017 was Rs. 1.61 million. The payable amount of Rs. 76,901 of public services provident fund from July to December for the year under review under the General Deposits Accounts No 6000/0000/00/0018/0120 had not been credited in regular manner to that fund.

2.13 Non maintenance of registers and books

It was observed during audit sample tests that the department had not been maintaining the following registers in the updated manner.

Type of Register	Relevant regulation
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(a) Register of liabilities	According to the Financial Regulation 214, liabilities should be recorded in a liability register as can to examine regularly.
(b) Register of losses and Damages	Register of Damages in the format in terms of the provisions of financial regulation 110

2.14 Non - compliances

Non – compliances with Laws, Rules and Regulations

Without having recovery the advances given Rs. 32,480 advances amounting Rs. 143,000 had been given to two officers again, in terms of paragraph 371 (2) (c) of revised financial regulation by the public finance circular No. 03/2015 dated 14 July 2015.

2.15 Internal Audit

An Internal Audit section had not been established in terms of paragraph 01 of management Audit circular No. DMA/2009 (1) dated 09 June 2009 and financial regulation 133.

2.16 Audit and Management Committee

Audit and Management Committee meeting had not been held by the Department of Official Languages for the year 2017 in terms of paragraph 05 of management audit circular No. DMA/2009/1 dated 09 June 2009 and financial regulation 133.

2.17 Human Resource Management

2.17.1 Approved Cadre, Actual Cadre and Expenditure for Personal Emoluments

The particulars in respect of Approved cadre, actual cadre, vacancies and the surplus to perform the role of the Department of Official Languages as at 31 December 2017 is as

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess Cadre
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(i) Senior Level	11	06	05	-
(ii) Tertiary Level	58	28	30	-
(iii) Secondary Level	136	125	11	-
(iv) Primary Level	19	09	10	-
(v) Other (Casual / Contract Basis)	-	05	-	05
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Total	224	173	56	05
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follows. A sum of Rs. 80.6 million had been spent for expenditure object of personal salaries by the Department for the year under review.

The following observations are made in this regard.

(a) Recruited made over the approved cadre

05 casual and contract officers / employees had been recruited over the approved number without having a proper approval.

(b) Staff Training

Eventhough an amount of 166 officers had been identified to provide training during the year under review, 127 officers had not been given any training in the year. From the 39 officers who were trained in the year 2017, one day training had been given for 11 only and a sum of Rs. 1,606,166 had been spent for 23 per cent of officers who should be trained.

2.18 Securities of the Government officers

Securities had not been deposited in terms of provisions of financial regulations 880 by the officers in charge of stores and in charge of and accept money of the Department of Official Languages.