

1. Head 145 - Ministry of Resettlement

Report of the Auditor General -Year 2013

Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Resettlement for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154(1) of 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 12 November 2014. 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 for the Accounts and Reconciliation Statements

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 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.

1.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and (c) and other major audit findings appearing in paragraphs 1.4 to 1.7 herein, the Appropriation Account and the Reconciliation Statements of the Ministry of Resettlement had been prepared satisfactorily.

(a) Non – maintenance of Registers and Books

Fixed Assets of the Ministry valued at Rs.123,501,145 had not been included in the Register of Fixed Assets in terms of the Treasury Circular No.842 dated 19 December 1978.

(b) Appropriation Account

(i) Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.505,011,500 and out of that a sum of Rs.486,977,088 had been utilized by the end of the year under review. Accordingly a sum of Rs.18,034,412 or 3.6 per cent of the total net provision had been saved. Details appear below.

Expenditure	Net Provision	Utilization	As at 31 December 2013	
			Savings	Savings as a Percentage of the Net Provision
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	Rs	Rs	Rs	
Recurrent	177,892,000	167,876,412	10,015,588	5.6
Capital	327,119,500	319,100,676	8,018,824	2.4
Total	<u>505,011,500</u>	<u>486,977,088</u>	<u>18,034,412</u>	3.6

(ii) Budgetary Variance

The following observations are made.

- * The entire net provision of Rs.300,000 made for one Object had been saved.
- * Excess provisions had been made for 14 Objects and as such the savings after the utilization of provisions ranged between 20 per cent to 95 per cent of the net provisions of those Objects.
- * Even though provisions of Rs.30,687,000 had been made for 4 Objects from the Supplementary Estimate allocations, provisions of Rs.5,251,439 out of that had been saved by the end of the year under review.

(c) **Advances to Public Officers Account**

Limits Authorised by Parliament

The limits authorized by Parliament in respect of Advances to Public Officers Account of the Ministry and the actual amounts are shown below.

Item No.	<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs	Rs	Rs	Rs	Rs	Rs
14501	6,000,000	1,940,972	2,400,000	3,639,614	17,000,000	7,411,628

The following observation is made.

According to the Reconciliation Statement of the Advances to Public Officers Account Item No. 14501 as at 31 December 2013, the total of individual balances that remained outstanding as at that date amounted Rs. 239,205 and the Ministry had failed to recover these outstanding balances .

1.4 **Good Governance and Accountability**

Internal Audit

Even though 3 years had elapsed since the establishment of the Internal Audit Unit, an internal audit officer had not been appointed while an internal audit officer had worked on acting basis.

1.5 **Assets Management**

Conduct of Annual Boards of Survey

The following observations are made.

- (a) Even though the Annual Boards of Survey for the year 2013 should be conducted in terms of the Public Finance Circular No 441 dated 09 December 2009 as amended by the letter No. PF/ Board of Survey / 01 of Director General of Public Finance dated 17 December 2010 and the reports thereon should be furnished to

the Auditor General on or before 31 March 2014, the Annual Boards of Survey Reports had been furnished to audit only on 30 June 2014 by the Ministry.

- (b) Action in terms of the Financial Regulation 760 had not been taken on the excesses and shortages and the other recommendations pointed out in the reports of the Boards of Survey in respect of the year 2013.

1.6 Performance

The following deficiencies were observed at audit test checks carried out on performance of the Ministry during the year under review.

(a) Welioya Housing Construction Project.

The following deficiencies were observed at audit test checks carried out on Welioya Housing Construction Project.

- (i) Constructions of 500 houses had been the main objective of the stage 1 of the project and constructions of 459 houses of that had been completed. Constructions work of 16 houses out of non – completed houses had been abandoned. The work of another 25 houses had not been completed substantially.
- (ii) Second stage of above project had been commenced in April 2013 and it was expected to complete the work of 356 houses by July 2013. A cost estimate of Rs.117,000,000 had been prepared for the above project. The provisions of Rs.74,657,303 and Rs.32,531,625 had been made thereon for Ministry and District Secretariat, Mulatiuv respectively. But only 2 houses had been substantially completed even by 15 October 2014.

(b) Resettlement in Kellabogasweva

Provisions of Rs.28,000,000 had been made through 02 Supplementary Estimate allocations to District Secretary, Vauniya for resettlement of 1500 families displaced in the village of Kellabogasweva in Vauniya District. Cement bags and Roofing sheets for 1500 displaced families had been purchased by the District Secretariat, Vauniya and the particulars relating to the distribution of goods for 682 displaced families had not been furnished to audit.

(c) Resettlement of 650 families in Padaviya, Anuradhapura

Provisions of Rs.4,999,452 had been made through Supplementary Estimate allocations for the resettlement activities of 650 families in Padaviya, Anuradhapura. Out of these displaced families, the name list relating to 312 families had not been furnished to audit. Further an expenditure report relating to purchase of 7,800 Roofing Sheets and 5,200 Cement Bags had not been furnished to the Ministry.

(d) Providing Welfare Services

Even though provisions of Rs.30,933,961 had been provided for 07 Districts for supply of welfare services while a detailed report in respect of providing welfare services as at 31 December 2013 had not been obtained by the Ministry.

1.7 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2013 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
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(i) Senior Level	11	08	03	-
(ii) Tertiary Level	05	02	03	-
(iii) Secondary Level	85	47	38	-
(iv) Primary Level	27	23	04	-
(v) Others (Casual/Temporary/ Contract Basis)	-	07	-	07
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Total	<u>128</u>	<u>87</u>	<u>48</u>	<u>07</u>

The following observation is made in this regard.

The Ministry had failed to fill 48 vacancies by the end of the year under review. There were 27 vacancies in the posts of Development Assistants out of 38 vacancies of Secondary Level but action had not been taken to recruit the officers thereon during the year under review.