

Auditor General's Report on the Accounts of the Ministry of Disaster Management and the Department under the Ministry – 2010

This report comprises two Parts.

Part 1 - Summary Report on the Accounts of the Ministry and the Department under the Ministry

Part 2 - Detailed Report on each Appropriation Head

Part I

Summary report on the Accounts of the Ministry of Disaster Management and the Department under the Ministry

1. Department under the Ministry

Appropriation Head	Name of Department
----- 304	----- Department of Meteorology

2. Annual Action Plan

The Ministry and the Department under the Ministry had prepared and presented the Annual Action Plans during the year of accounts.

3. Accounts

3:1 Appropriation Accounts

(a) Presentation of Accounts

Two Appropriation Accounts of the Ministry and Department under the Ministry had been presented to audit by 04 April 2011.

Ministry / Department -----	Appropriation Head -----	Date of Presentation -----
Ministry of Disaster Management	106	04 April 2011
Department of Meteorology	304	01 April 2011

(b) Total Provision and Expenditure

The total net provision made for the Ministry and the Department under the Ministry amounted to Rs. 1,484,077,000 and out of that a sum of Rs.1,262,943,498 had been utilized by the end of the year under review. Therefore, the net savings of the Ministry and the Departments ranged between Rs. 77,009,445 and 144,124,057 or 11 per cent and 28 per cent respectively of the total net provision. Details appear below.

Appropriation Head -----	Ministry/ Department -----	Net Provision		Utilization		Savings	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
106	Ministry of Disaster Management	482,777,000	730,980,000	457,426,890	612,206,053	25,350,110	118,773,947
304	Department of Meteorology	149,680,000	120,640,000	144,808,682	48,501,873	4,871,318	72,138,127
	Total	632,457,000	851,620,000	602,235,572	660,707,926	30,221,428	190,912,074
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3:2 Advance Accounts

3:2:1 Advances to Public Officers Account

(a) Presentation of Accounts

The 02 Advances to Public Officers Accounts that should be prepared for the year under review by the Ministry and the Department under the Ministry had been presented to audit by 31 March 2011.

(b) Compliance with Limits

The Ministry and the Department under the Ministry had complied with the limits on the Advance to Public Officers Accounts authorized by the Parliament.

Ministry / Department	Item Number	Maximum Limit on Expenditure	Actual	Minimum Limit on Receipts	Shortfall	Maximum Limit on Debit Balance	Actual
-----	-----	-----	-----	-----	-----	-----	-----
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ministry of Disaster Management	10601	4,000,000	2,447,657	1,600,000	2,568,254	11,500,000	11,273,739
Department of Meteorology	30401	12,000,000	12,040,101	6,700,000	8,951,164	55,000,000	36,923,528

3:3 Imprest and General Deposit Accounts

3:3:1 Imprest Accounts

The Ministry of Disaster Management had a debit balance in the Imprest Account less than 01 year old as at 31 December 2010 amounting to Rs.395,820.

3:3:2 General Deposit Accounts

The balances of the General Deposit Accounts of the Ministry and the Department under the Ministry as at 31 December 2010 totalled Rs.19,608,438 and an age analysis thereon is given below.

Ministry / Department	Head	Account Number	Age Analysis				Balance as at 31 December 2010
			Less than 01 year	Over 01 year less than 02 years	Over 02 years less than 05 years	Over 05 years	
			Rs.	Rs.	Rs.	Rs.	Rs.
Ministry of Disaster Management	106	6000/0015/20	14,711,502	--	--	--	14,711,502
Department of Meteorology	304	6000/003/558	---	--	722,948	--	727,948
	304	6000/0015/0159	2,794,392	1,374,596	--	--	4,168,988

Part II

Detailed Report relating to each Appropriation Account

1:1 Appropriation Head 106 Ministry of Disaster Management

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Disaster Management for the year ended 31 December 2010 was carried out in pursuance of provisions of 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 Secretary to the Ministry on 07 September 2011. 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 Statement in accordance with the provisions of Articles 148, 149, 150 and 152 of the Constitution 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 Observations on the Accounts and Reconciliation Statement

According to the Financial Records and Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations appearing at (a) to (b) and other major observations appearing in paragraphs 1:4 to 1:6 herein, the Appropriation Account and the Reconciliation Statements of the Ministry of Disaster Management had been prepared satisfactorily.

(a) Presentation of Accounts

The Ministry had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Type of Registers	Relevant Regulation	Observation
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(i) Register of Fixed Assets	Treasury circular No. 842 of 19 December 1978	According to the Appropriation Account, the value of fixed assets as at 31 December 2010 amounted to Rs.212,106,517. The Ministry had not presented a Register of Fixed Assets updated in accordance with the relevant circular to audit.
(ii) Register of Computer Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002	A separate Register of Computer Accessories and Software had not been maintained.

(b) Budgetary Variance

- (i) The entire net provisions amounting to Rs.2,435,000 made for 08 Objects had been saved.
- (ii) Excess provisions had been made for 16 Objects and as such the savings thereunder after utilizing the provisions ranged between 40 per cent to 96 per cent of the net provisions.
- (iii) Even though provision amounting to Rs.8,432,500 had been transferred to an Object under Financial Regulation 66, provision amounting to 75.73 per cent or Rs.10,929,553 had been saved as at the end of the year.
- (iv) Out of the provision of Rs.50,000,000 obtained from a Supplementary Estimate provision amounting to 12 per cent or Rs.6,053,256 had been saved as at the end of the year.

1:4 Assets Management

Conduct of Annual Boards of Survey

The Institution of Disaster Relief Services had been brought under the Ministry with effect from May 2010 and an Annual Board of Survey of that Institute had not been conducted in terms of Financial Regulation 756. The value of the assets taken over had also not been computed and brought to account.

1:5 Deficiencies in the Operation of Bank Accounts

Balances for Adjustment

Information revealed at an analysis of the adjustments shown in the Bank Reconciliation Statements prepared as at 31 December 2010 by the Ministry of Disaster Management is given below.

Action in terms of Financial Regulation 396 (d) had not been taken on a cheque valued at Rs.7,400 issued but not presented to the Bank over a period exceeding 06 months and less than 01 year.

1:6 Human Resources Management

(a) Approved Cadre and Vacancies

The position of the cadre of the Ministry of Disaster Management as at 31 December 2010 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	20	16	04
(ii)	Tertiary Level	04	03	01
(iii)	Secondary Level	74	58	16
(iv)	Primary Level	47	29	18
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	Total	145	106	39
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2. Appropriation Head 304: Department of Meteorology

The audit of the Appropriation Account including the financial records, reconciliation statement, books, registers and other records of the Department of Meteorology for the year ended 31 December 2010 was carried out in pursuance of provisions of 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 Head of Department on 07 September 2011. 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.

2:2 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 Statement in accordance with the provisions of 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.

2:3 Audit Observations on the Accounts and Reconciliation Statement

According to the Financial Records and Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations appearing at (a) to (e) and other major observations appearing in paragraphs 2:4 to 2:10 herein, the Appropriation Account and the Reconciliation Statements of the Department of Meteorology had been prepared satisfactorily.

(a) Presentation of Accounts

The Department had not maintained a Register of Fixed Assets in terms of the Treasury Circular No. 842 of 19 December 1978. The fixed assets valued at Rs.435,352,326 according to the Appropriation Account for the year under review presented to audit had not been recorded in a register in accordance with the Circular.

(b) Budgetary Variances

- (i) The entire net provisions amounting to Rs.3,080,000 made for 02 Objects had been saved.
- (ii) Excess provisions had been made for 04 Objects and as such the savings thereunder after utilizing the provisions ranged between 63 per cent to 91 per cent of the net provision.

(c) Imprest Account

- (i) Instances of delays in the settlement of Ad hoc sub- imprests ranging from 01 month to 02 months since the completion of the purposes contrary to Financial Regulation 371 were observed.
- (ii) Ad hoc sub – imprests exceeding the actual requirements totalling Rs.77,625 had been granted in 09 instances due to the failure to grant ad hoc sub – imprests on accurate estimates.

(d) General Deposit Account

Action in terms of Financial Regulation 571 had not been taken on 05 deposit balances amounting to Rs.727,948 older than 02 years.

(e) Reconciliation Statement of Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account Item No. 30401 as at 31 December 2010, the balances that remained outstanding as at that date totalled Rs.291,879 and the follow up action on the recovery of those outstanding balances had been at a weak level.

2:4 Assets Management

(a) Idle Assets

The Radar valued at Rs.10 million received by the Department of Meteorology as a donation and installed in the premises of the Navy Camp at Trincomalee had the capacity to forecast warnings on cyclones developing in the Western Bay of Bangal and their paths to the Department of Meteorology 30 minutes ahead of striking in Sri Lanka sea shore throughout the years 1982 to 1993. Since the breakdown of the Radar it had been repaired in the year 2005. Thereafter no repairs had been done and remained idle even up to the end of the year under review.

(b) Conduct of Annual Boards of Survey

The following observations are made.

- (i) According to the Public Finance Circular No. 441 dated 09 December 2009 as amended by the Letter No. PF/Board of Survey / 01 dated 17 December 2010 of the Director General of Public Finance, the Annual Board of Survey should have been conducted before 31 March 2011 and furnish the reports to the Auditor General. Nevertheless the Board of Survey of the Department had been conducted and reports furnished only on 31 May 2011.
- (ii) Action in terms of the regulations had not been taken on the excesses and shortages reported and other recommendations made in the Board of Survey Reports for the year 2010.

2:5 Non – compliances

Non – compliance with Laws, Rules, Regulations, etc.

Instances of non – compliance with the provisions of laws, rules and regulations observed during the course of audit test checks are analyzed below.

Reference to Laws, Rules and Regulations -----	Value ----- Rs.	Non - compliance -----
Circular Provisions -----		
Financial Regulation 225 and Paragraph 2:1:4 of Circular No. MF6/1/1/96 of 20 April 1996	521,375	Nine officers had obtained money without submitting the vouchers for the advances obtained before proceeding abroad.
Financial Regulation 264		The correctness of the allowances obtained could not be established in audit as the documentary evidence of the computations had not been submitted with the vouchers for the settlement of advances.
Paragraph 2:1:8 of the Circular No. MF6/1/1/96 of 20 April 1996		Even though it is compulsory for the officers to obtain the approval of the Prime Minister to leave the Island before obtaining the advances, the officers had left the Island before receiving the approval of the Prime Minister and the Head of Department had approved the leave before receiving the said approval.

Public Administration
Circulars

Paragraph 10.9 of
Circular No. 21/2007 of
11 September 2007

Prior to granting of leave for officers to spend abroad, the Head of Department should satisfy himself of the need for the officers to leave the Island. Nevertheless, the officers had received the permission only after leaving the Island.

2:6 Performance

The observations of the progress of the Department of Meteorology according to the Annual Estimates and the Annual Action Plan for the year 2010 are given below.

Non – compliance with the Annual Action Plan

It was observed that action in terms of the Action Plan had not been taken in the following instances.

- (a) The provision made in the Annual Estimates for the year 2010 for the installation of the Doppler Radar System amounted to Rs.95 million. According to the Action Plan the installation should have been completed by 31 December 2010. Nevertheless, it had not been completed even by June 2011.
- (b) Even though financial provision of Rs.50,000 had been made in the Action Plan for allowing the Meteorologists to participate in the courses conducted by the University of Moratuwa or the University of Colombo during March and April 2010, such participation of the officers had not been effected in the year 2010 and that provision had been saved as at the end of the year under review.

2:7 Losses and Damage

Action in terms of Financial Regulation 104 and 109 had been taken even by the end of the year under review on losses and damage amounting to Rs.1,091,458 of the Department relating to 07 instances existing over a period exceeding 10 years.

2:8 Operating Inefficiencies

- (a) A grant of Rs.1,081,141 had been received in November 2009 from the World Meteorology Organization for making an awareness of the climate and weather among the farmer community. Out of that, sums of Rs.111,885 and RS.524,005 had been spent for conducting one seminar in the year 2009 and 03 seminars in the year 2010 respectively. The balance sum of Rs.435,251 had been returned to the World Meteorology Organization. The officer who organized the series of seminars proceeding abroad for study purposes, the need for assigning Departmental officers to participate without disrupting the official duties and the difficulty in organizing the farmers and Agricultural Officers had been adduced as the reasons therefor.
- (b) Even though the objective of the installation of the automatic meteorology system is the speedy access to timely data, it was observed that the Department had failed to achieve the above objective even during the year 2010 due to the weaknesses of the system.
- (c) An examination of the approved cadre and the actual cadre deployed at the Regional Offices revealed the existence of vacancies of 09 officers, 01 labourer and 05 substitute labourers of 08 Regional Offices. As a result of the existence of such vacancies problems had arisen with regard to the delays in the performance duties in the Regional Offices and the reliability and the accuracy of the data provided by the offices.

2:9 Human Resources Management

(a) Approved Cadre and Vacancies

The position of the cadre of the Department of Meteorology as at 31 December 2010 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	01	01	00
(ii)	Tertiary Level	40	33	07
(iii)	Secondary Level	231	186	45

(iv) Primary Level	85	75	10
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Total	357	295	62
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(b) Non – filling of Vacancies

Even though the Departmental Officers had been removed from the Regional Office, Trincomalee, officers had not been assigned again to that office even up to June 2011.

2:10 Internal Control

Internal Audit

Even though the Department should cover the overall sphere of activities in the preparation of the Internal Audit Plan, the activities of the Regional Offices had not been included in the Internal Audit Plan presented.