

Report of the Auditor General on the Appropriation Head 106 Ministry of Disaster Management and the Department under that Ministry – year 2012

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This report consists of two parts

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

Part 2 - The Detailed Report on each Appropriation Head

Part – 1

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The Summary Report on the Accounts of the Ministry of Disaster Management and the Department under the Ministry.

1. Departments under the Ministry.

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

2. Accounts

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2:1 Appropriation Account

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(a) Total provision and expenditure

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The total net provisions made for the Ministry and the Department under the Ministry amounted to Rs.1,509,829,395 and a sum of Rs.1,112,572,657 out of that had been utilized by the end of the year under review. Accordingly, the savings amounted to Rs.197,185,110 and Rs.209,071,628 and represented 20 per cent to 37 per cent of the net provision. Details appear below.

Appropriation Head	Ministry/ Department	Net Provision as at 31 December 2012		Utilization as at 31 December 2012		Savings as at 31 December 2012	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
106	Ministry of Disaster Management	420,160,000	555,300,000	378,078,867	400,196,023	42,081,133	155,103,977
304	Department of Meteorology	186,250,000	348,119,395	176,581,716	157,716,051	9,668,284	190,403,344
	Total	606,410,000	903,419,395	554,660,583	557,912,074	51,749,417	345,507,321

## 2:2 Advances to the Public Officers Accounts

### Limits Authorized by Parliament

The following limits authorized by Parliament for the Advances to Public Officers Accounts of the Ministry and the Department under the Ministry have been complied with.

Head	Item Number	Expenditure		Receipts		Debit Balance	
		Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
106	10601	4,200,000	1,288,610	2,500,000	3,117,529	16,000,000	9,079,147
304	30401	15,000,000	3,572,989	5,500,000	8,301,283	60,000,000	31,441,436

2:3 General Deposit Accounts  
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The balances in the General Deposit Accounts of the Ministry and the Department under the Ministry as at 31 December 2012 totalled Rs.19,765,272 and the details thereon are appear below.

Ministry / Department -----	Account Number -----	Balance as at 31 December 2012 -----
		Rs.
Ministry of Disaster Management	6000/000/00/0015/0020/000	14,418,188
Department of Meteorology	6000/0000/00/0015/0159/000	5,347,084
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Total		19,765,272 =====

Part 2

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Detailed Report relating to each Appropriation Head

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1. Appropriation Head 106 – Ministry of Disaster Management

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1:1 Scope of Audit

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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 2012 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 Secretary to the Ministry on 21 August 2013. 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

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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 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.

1:3 Audit Observations

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According to the Financial Records and Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) and (b) and other major observations appearing in paragraphs 1:4 to 1:7 herein, the Appropriation Account and the Reconciliation Statement of the Ministry of Disaster Management had been prepared satisfactorily.

(a) Non-maintenance of Registers

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The Ministry had not maintained the following registers

Type of Registers	Relevant Regulation
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Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978.
Register of Losses and Damage	Financial Regulation 110.

(b) Budgetary Variance

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- (i) The entire capital provision of Rs.6,200,000 made for 06 Objects had been saved.
  - (ii) Excess provisions had been made for 11 Objects and as such the savings after the utilization of provisions ranged between 53 per cent to 81 per cent of the net provisions relating to those Objects.

1:4 Good Governance and Accountability  
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1:4:1 Corporate Plan  
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Even though the Ministry should have prepared a Corporate Plan at least for 03 years from the year 2010 and onwards at the beginning of the year in terms of the letter No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance addressed to all Secretaries to Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and the Heads of Local Authorities, that Plan had not been prepared even by 31 December 2012.

1:4:2 Annual Action Plan  
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Even though the Ministry should have prepared an Annual Action Plan from the year 2010 onwards in accordance with the Corporate Plan prepared in terms of the letter of the Director General of Public Finance referred to the paragraph 1.4.1 above, that Plan had not been prepared even by 31 December 2011. However an action plan for fund utilization had been prepared on 02 February 2012.

1:4:3 Annual Performance Reports  
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Even though the Annual Performance Report that should have been prepared by the Ministry in terms of the Public Finance Circulars No. 402 of 12 September 2002 and No. 402(1) of 20 February 2004 referred to in the letter of the Director General of Public Finance referred to in paragraph 1.4.1 above should have been tabled in Parliament with copy to the Auditor General within 150 days after the close of the financial year, the Performance Report for the year under review had not been tabled in Parliament even by 31 July 2013.

1:4:4 Internal Audit

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Even though an Internal Audit Unit had been established, the post of Chief Internal Auditor remained vacant from June 2012. An internal audit in accordance with the Internal Audit Programme had not been carried out.

1:4:5 Implementation of the Audit and Management Committee

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Even though the Audit and Management Committee should meet at least once a quarter, only 02 meetings had been held in the year 2012.

1:5 Non-compliance

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

Reference to Laws, Rules and Regulations	Value	Non-compliance
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	Rs.	
Financial Regulations		
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(i) Financial Regulation 104	2,194,794	Even though 05 motor vehicles of the Ministry had met with accidents in the year under review the preliminary reports had not been prepared and furnished to the Auditor General.
(ii) Financial Regulation 1646	--	Even though the Daily Running Charts and the Monthly Performance Summaries of motor vehicles for each month should be furnished to the Auditor General before the fifteenth day of the month following, it had not

- been so done.
- (iii) Financial Regulation 1647 -- Even though a complete survey of the motor vehicles and their equipment should be conducted annually, such survey had not been conducted.
- (b) Public Administration  
Circulars  
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Circular No. 41/90 of 10 -- Even though the fuel consumption of  
October 1990 motor vehicles should be tested once in every 06 months, it had not been so done.

1:6 Irregular Transactions  
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The following observations are made.

- (a) According to the report for the year 2012 furnished by the Disaster Relief Services Centre, a sum of Rs.189,215,259 had been made available to 25 District Secretariats as Disaster Relief Provisions. The detailed reports on the utilization of such provisions had not been furnished to audit.
- (b) A sum of Rs.19,520,844 from the provisions of the Disaster Relief Services Centre had been made available to 20 District Secretariats in the year 2012 for the purchase of water tanks for providing relief to the people affected by the drought. Out of that the particulars relating to the number of water tanks purchased by 04 District Secretariats and the sum of Rs.6,160,000 spent in that connection had not been furnished to audit.



1:7 Human Resources Management

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Approval and Actual Cadre  
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The position of the cadre as at 31 December 2012 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	19	13	06
(ii)	Tertiary Level	05	02	03
(iii)	Secondary Level	442	216	226
(iv)	Primary Level	47	31	16
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	Total	513	262	251
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Action had not been taken up to the end of the year under review to fill 251 vacancies.

2. Appropriation Head 304 – Department of Meteorology  
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2:1 Scope of Audit  
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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Meteorology for the year ended 31 December 2012 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 22 August 2013. 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  
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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 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.

1:3 Audit Observations on the Accounts and Reconciliation Statements  
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According to the Financial Records and Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) and (c) and other major observations appearing in paragraphs 2:4

to 2:10 herein, the Appropriation Account and the Reconciliation Statement of the Department of Meteorology had been prepared satisfactorily.

(a) Non-maintenance of Registers  
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The Department had not maintained the following registers

Type of Registers -----	Relevant Regulation -----
Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978.
Register of Losses and Damage	Financial Regulation 110.

(b) Budgetary Variance  
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Excess provisions had been made for 04 Objects and as such the savings after the utilization of provisions ranged between 57 per cent to 83 per cent of the net provisions relating to those Objects.

(c) Advances to Public Officers Account  
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According to the Reconciliation Statement as at 31 December 2012 of the advances to Public Officers Account Item No. 30401, the balances that remained outstanding as at that date totalled Rs.244,246 and the Department had failed to recover those outstanding balances.

2:4 Good Governance and Accountability  
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2:4:1 Corporate Plan  
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Even though the Department should have prepared a Corporate Plan at least for 03 years from the year 2010 and onwards at the beginning of the year in terms of the letter No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance addressed to all Secretaries to Ministries, Chief Secretaries of

Provincial Councils, Heads of Departments, District Secretaries and the Heads of Local Authorities, that Plan had not been prepared even by 31 December 2012.

2:4:2 Annual Performance Reports  
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Even though the Annual Performance Report that should have been prepared by the Ministry in terms of the Public Finance Circulars No. 402 of 12 September 2002 and No. 402(1) of 20 February 2004 referred to in the letter of the Director General of Public Finance referred to in paragraph 2.4.1 above should have been tabled in Parliament with copy to the Auditor General within 150 days after the close of the financial year, the Performance Report for the year under review had not been tabled in Parliament even by 31 July 2013.

2:4:3 Internal Audit  
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An Internal Audit Unit had not been established.

2:4:4 Implementation of the Audit and Management Committee  
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An Audit and Management Committee had not been established.

2:5 Assets Management  
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Idle and Underutilized Assets  
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It was observed during the course of audit test checks that certain assets categorized below had been either idle or underutilized.

Category of Assets -----	Number of Units -----	Idle or underutilized period -----
(a) Motor vehicles	01	Over 03 years

(b)	Machinery	06	Over 03 years
(c)	Machinery	01	Over 08 years

2:6 Non-compliances

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 Non-compliance with Laws, Rules and Regulations  
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Instances of non-compliance with the provisions in laws, rules and regulations are observed during the course of audit test checks are analyzed below.

Reference to Laws, Rules and Regulations.	Value	Non-compliance
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	Rs.	
(i) Establishments Code -----		
Sections 4.2.4, 4.2.5, 4.4.1 and 4.5 of Chapter xxiv of the Establishments Code	234,746	Action had not been taken for the recovery of the loan balances of Officers who had retired, deceased, vacated posts or resigned from public service.
(b) Financial Regulations -----		
Financial Regulation 1646	--	Even though the Daily Running Charts and the Monthly Performance Summaries of motor vehicles for each month should be furnished to the Auditor General before the fifteenth day of the month following it had not been so done.
Financial Regulation 1647		A complete annual survey of the motor vehicles and their equipment had not been conducted.
(c) Public Finance Circulars -----		
Circular No. 41/90 of 10	--	Even though the fuel consumption of

October 1990

motor vehicles should be tested once in every 06 months, it had not been so done.

2:7 Performance

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Key Functions not performed Adequately  
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The following observations are made.

- (a) A sum of Rs.320 million for the purchase of a Doppler Radar System with the capacity for obtaining information on weather conditions and transmitting such information to the relevant technical divisions through different networks and a sum of Rs 374 million for the installation of the system had been spent. This system had been received by the Department in August 2012 and according to the agreement, its installation should have been completed by August 2012. Nevertheless, it had not been possible to complete the installation and operate the system to obtain weather data ever by 30 December 2012.
- (b) Even though 555 rain gauges belonging to the Department are located throughout the Island, rain gauge data from 35 centres located in 17 districts had not been received in the year 2012.

2:8 Losses and Damage

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Action in terms of Financial Regulations 102 and 104 had not been taken on losses and damage totalling Rs.4,432,012 caused to the owned of the Department.

2:8 Management Weaknesses

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A sluggishness was shown by the Authorities concerned in the implementation of the directives made by the Committee on Public Accounts regarding the matters surfaced after the examination by the Committees, of the matters relating to the

Department included in the paragraphs in the Reports of the Auditor General.  
Details appear in below.

Reference to the Report of the Auditor General	Relevant Subject	Date of Meeting of the Committee on Public Accounts	Directive of the Committee
Year	Paragraph Number		
200	2.6(a)	08.06.2011	Action to be taken for the installation of the system covering the Thunder and the Doppler Radar System.
	2.7		Action to be taken for the write off of losses and damage by obtaining the Treasury approval.

## 2:10 Human Resources Management

### Approval and Actual Cadre

The position of the cadre as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	No. of Vacancies
(i) Senior Level	52	32	20
(ii) Tertiary Level	29	03	26
(iii) Secondary Level	238	170	68
(iv) Primary Level	140	72	68
Total	<u>459</u>	<u>277</u>	<u>182</u>

Action had not been taken up to the end of the year under review to fill 182 vacancies.