

1 Appropriation Head 183 – Ministry of Public Relations and Public Affairs
Report of the Auditor General – Year 2012

1:1 Scope of Audit

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Public Relations and Public Affairs for the year ended 31 December 2012 were audited 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 10 October 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

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 Financial 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

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 the other major audit observations appearing in paragraphs 1.4 to 1.8 herein, the Appropriation Account and the Reconciliation Statements of the Ministry of Public Relations and Public Affairs had been prepared satisfactorily.

(a) Appropriation Account

(i) Total Provisions and Expenditure

The total net provision made for the year under review for the Ministry amounted to Rs.160,028,000 and out of that a sum of Rs.134,333,472 had been utilized by the end of the year. Accordingly the net savings amounted to Rs.25,694,528 and that represented 16 per cent of the total net provision. Details appear below.

Expenditure	Estimated Provision as at 31 December 2012	Net Provision as at 31 December 2012	Utilization as at 31 December 2012	Savings as at 31 December 2012	Savings as a Percentage of the Net Provision
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	Rs.	Rs.	Rs.	Rs.	
Recurrent	49,000,000	49,000,000	48,721,217	278,783	0.5
Capital	110,000,000	110,028,000	85,612,255	25,415,745	23.0
Total	159,000,000	160,028,000	134,333,472	25,694,528	
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(ii) Budgetary Variance

* The total net provision amounting to Rs.149,800 made for 03 Objects had been saved.

- * Excess provision had been made for 04 Objects and as such the savings after the utilization of provisions amounted to Rs.13,891,912. That represented 11 per cent to 78 per cent of the net provisions relating to those Objects.

(b) General Deposit Account

The balance of the General Deposit Account of the Ministry more than 01 year but less than 02 years as at 31 December 2012 amounted to Rs.661,613.

1:4 Good Governance and Accountability

1:4:1 Corporate Plan

Even though the Ministry should have prepared a Corporate Plan at least for a period of 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) of 10 March 2010 of the Director General of Public Finance addressed to all Secretaries of Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, Divisional Secretaries and the Heads of Local Authorities, that Plan had not been prepared even by 31 December 2012.

1:4:2 Annual Action Plan

Even though the Ministry should have prepared an Annual Action Plan for the year 2010 and thereafter in accordance with the Corporate Plan prepared in terms of the letter of the Director General of Public Finance referred to in paragraph 1.4.1 above, the Action Plan for the year under review had not been prepared even by 31 December 2012.

1:4:3 Annual Procurement Plan

The Annual Procurement Plan for the year under review in terms of the National Budget Circular No. 128 of 24 March 2006 had not been prepared even by 31 December 2012.

1:4:4 Internal Audit

An Internal Audit Unit had not been established.

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

The Audit and Management Committee had not functioned.

1:5 Assets Management

Unsettled Liabilities

The liabilities of the Ministry less than one year old as at 31 December 2012 amounted to Rs.6,650,719.

1:6 Performance

The observations on the progress of the Ministry according to the Annual Budget Estimates of the year 2012 are given below.

- (a) A sum of Rs. 2.5 million had been spent for conduct of 04 mobile services on Jana Sethata Jana Hawula Community Service and solutions had been provided to 3,450 problems out of 5,064 problems submitted while solutions had not been provided to 1,614 problems.
- (b) Even though a sum of Rs.15 million had been allocated on a Project for reducing the obstacles in obtaining services from public institutions, only a sum of Rs.1.2 million had been spent thereon.

1:7 Deficiencies in the operation of Bank Accounts

According to the Bank Reconciliation Statement prepared for the month of December 2012 by the Ministry, the value of cheques issued but not presented for payment for over 06 months and less than one year amounted to Rs.35,839 and the unidentified receipts amounted to Rs. 210.

1:8 Human Resources Management

Approved Cadre and Actual Cadre

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	06	05	01
(ii) Tertiary Level	17	10	07
(iii) Secondary Level	09	04	05
(iv) Primary Level	12	12	--
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Total	44	31	13
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