

### **1.1 Scope of Audit**

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The audit of the appropriation account of the Ministry of Ministry of Public Relations and Public Affairs for the year ended 31 December 2013 comprising the financial reports, reconciliation statements books and other records was carried out in pursuance of provision in Article 154(1) of the constitution of the Democratic Socialist Republic of Sri Lanka. The management audit report for the year under review had been issued to the Secretary to the Ministry on 16 December 2014. Audit observations, comments and findings on accounts and reconciliation statements were based on review of accounts and reconciliation statements presented to audit and substantive 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 Accounts and Reconciliation Statements**

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Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts and reconciliation statements in accordance with provisions in Articles 148, 149, 150 and 152 of the Democratic Socialist Republic of Sri Lanka other Statutory Provisions Public Finance and Administration 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**

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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) to (e) and other major audit findings appearing in paragraph 1.4 to 1.7 herein, the Appropriation Accounts and reconciliation Statements of the Ministry of Ministry of Public Relations and Public Affairs had been prepared satisfactorily.

**(a) Non-maintenance of Registers and Books**

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In terms of Treasury Circular No. 842 of 19 December 1978 the fixed assets register had not been up dated and properly maintained.

**(b) Appropriation Account**

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**(i) Total Provision and Expenditure**

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The total net provision made for the Ministry amounted to Rs.229,505,850 and out of that a sum of Rs.226,297,277 had been utilized by the end of the year under review. Accordingly, the savings had been amounted to Rs.3,208,573 or 1.4 per cent of the net provision. Particulars are given below.

<u>Expenditure</u>	<u>As at 31 December 2013</u>			<u>Savings as a Percentage of Net Provision</u>
	<u>Net Provision</u>	<u>Utilization</u>	<u>Savings</u>	
	Rs.	Rs.	Rs.	
Recurrent	63,264,700	62,406,797	857,903	1.36
Capital	166,241,150	163,890,480	2,350,670	1.41
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	-	-		
Total	229,505,850	226,297,277	3,208,573	1.40
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**(ii) Budgetary Variance**

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Excess provisions had been obtained for 04 Objects and as such the savings thereunder after utilizing the provisions ranged between 15 per cent to 49 per cent of the net provisions relating to those Objects.

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

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**Limits Authorized by Parliament**  
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The limits authorized by the Parliament for advances to Public Officers Accounts of the Ministry and the actual values are given below.

Item No.	Expenditure		Receipts		Debit balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
18301	3,000,000	2,610,473	300,000	1,386,872	7,000,000	3,773,414

Following observation is made in this regard.

According to the reconciliation statement of item No. 18301 Advance Account as at 31 December 2013, the balance of arrears receivable as at that date amounted to Rs.590,500.

**(d) Imprest Account**

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The following observations are made.

- (i) Ad hoc sub-imprest amounting to Rs.177,800 had been granted to 15 non- staff officers in 29 instances contrary to Financial Regulation No. 371.
- (ii) Even though a sub- imprest should be settled immediately after the completion of the purpose, 9 sub-imprest obtained by 5 officers had been settled after delaying ranged between 2 to 6 months period.

**(e) General Deposit Account**

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A balance amounting to Rs. 836,653 was in the General Deposit Account No. 6000/0000/00/0015/0195/000 as at 31 December 2013.

## 1.4 Non-compliances

### Non-compliance with Laws, Rules, Regulations etc.

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

Reference to Laws, Rules and Regulations	Value	Non-compliance
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	Rs.	
(i) Financial Regulation 880	-	In accordance with the Public Officers Security Ordinance Chapter 612, Officers who are required to deposit securities had not been deposited.
(i) Financial Regulation 1646	261,630	Summary of the monthly running charts and monthly performance reports had not been furnished to audit relating to 2 pool motor vehicles of the Ministry.
(b) Public Administration Circulars		
Circular No. 26/92 of 19 August 1992 and Circular No. 26/92(i) of 03 August 1994.		State emblem had not been printed in the pool vehicles of the Ministry.
(c) Cabinet Papers		
Cabinet Decision No. 4/0427/020/002 of 12 May 2004	465,520	Even though electronic and printed media activities should be get done from the state media institutions, the Ministry had performed those activities from private institutions.

## **1.5 Performance**

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The observations relating the progress of the Ministry as per 2013 annual action plan are given below.

### **Activities not Adequately Performed**

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It was observed in an audit test check that the following certain main activities had not been adequately performed, out of the activities should be performed by the Ministry.

- (a) Any programme relating to the main activities which had been included in the performance report of the Ministry i.e. building-up and implementation of an information network for the sake of general public and make aware of public institutions on practice of good governance, had not been conducted during the year under review.
- (b) A sum of Rs. 3.4 million had been incurred to conduct 04 “Janasethata Janahaula” community services mobile programmes. During those service programmes, 11,696 problems were solved, out of 15,265 problems forwarded to solve. Problems not solved were 3,567 or 23.38 per cent of the total problems forwarded. In addition, out of 101 problems forward to the Ministry, only 15 problems had been solved and that is 85 per cent of the problems.
- (c) Even though a sum of Rs. 43,142,082 had been released by the Ministry to conduct various programmes through the District Secretariats, the follow-up actions with regard to utilization of those provisions had not been taken.

## **1.6 Management Inefficiencies**

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Following weaknesses were observed when making payments to the casual employees.

- (a) When make payments to the casual employees, a sum of Rs. 3,195,991 had been paid for 12 employees as salaries during the year under review, based on attendance summaries instead of being used the attendance register, Three officers had not confirmed the receipt of salaries. Also, when it obtains the salaries by a proxy, salary had been paid without being filled the “General 38” form.

(b) An attendance register had not been maintained for 12 casual employees and except 14 April 2013 salaries had been paid for entire days of the year. It was observed that there were some instances salaries had been obtained by another officer instead of the relevant officer.

## 1.7 Human Resources Management

### (a) Approved Cadre and Actual Cadre

Cadre position as at 31 December 2013 was as follows.

Category of Employee -----	Approved Cadre -----	Actual Cadre -----	Vacancies -----
(i) Senior level	06	04	02
(ii) Tertiary level	02	02	-
(iii) Secondary level	36	23	13
(iv) Primary level	12	09	03
(v) others (Casual/Temporary/Contract)	08 ----	06 ----	02 ----
<b>Total</b>	<b>64</b> ===	<b>44</b> ===	<b>20</b> ===

Following observation is made.

Action had not been taken by the Ministry to fill 20 vacancies by the end of the year under review.