

# Report of the Auditor General on the Head 120 - Ministry of Child Development and Women's Affairs and the Department thereunder year 2014

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Paragraphs 1 and 2 of this report contain the general information on the Accounts of the Ministry and the Department under the Ministry and the Audit observations on each Head appear in paragraph 3 onwards.

## 1. Department under the Ministry

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<u>Head</u>	<u>Department</u>
217	Department of Probation and Child Care Services

### 1.1 Scope of Audit

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The audit of the Appropriation Account of the Ministry of Child Development and Women's Affairs and the Department thereunder for the year ended 31 December 2014, comprising the financial records, reconciliation statements, books and other records referred to in paragraph 1 above 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 had been issued to the Chief Accounting Officer and the Accounting Officer of the said ministry and the Department on the following dates. The audit observations, comments and findings on accounts and reconciliation statements were based on a review of the 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.

<b>Heads</b>	<b>Ministry/ Department</b>	<b>Date of Issue of the Management Audit Report</b>
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120	Ministry of Child Development and Women's Affairs	30.9.2015
217	Department of Probation of and Child Care Services	29.7.2015

## 1:2 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 Officers are 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, Public Finance and Administrative Regulations. This responsibility includes designing, implementing and maintaining internal control necessary to enable the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements, whether due to fraud or error.

## 2. Accounts

### 2.1 Appropriation Account

#### (a) Total Provision and Expenditure

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The total net provision made for the Ministry and the Department under the Ministry amounted to Rs.2,279.90 million out of which, a sum of Rs.2,079.57 million had been utilized as at the end of the year under review. Accordingly, savings from the net provision of the Ministry and the Department amounted to Rs.193.97 million and Rs.6.36 million or 9.53 per cent and 2.59 per cent of the total net provision. Particulars are given below.

Head	Net Provision	As at 31 December 2014		Savings, as a Percentage of Net Provision
		Utilization	Savings	
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	Rs.(Mn)	Rs. (Mn)	Rs. (Mn)	
120	2,034.35	1,840.38	193.97	9.53
217	245.55	239.19	6.36	2.59
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Total	2,279.90	2,079.57	200.33	8.79
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## 2:2 Advance Accounts

### 2.2.1 Advances to Public Officers' Account

#### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers' Account of the Ministry and the Department thereunder and the actual values are shown below.

Item Number	<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.(Mn)	Rs.(Mn)	Rs.(Mn)	Rs.(Mn)	Rs.(Mn)	Rs.(Mn)
12001	26.0	16.6	8.0	15.5	80.0	54.5
21701	12.0	8.9	7.0	9.0	75.0	38.8

## 2.3 Imprest Account

The balances of Imprests of the Ministry as at 31 December 2014 aggregated Rs.8.49 million. There was no balance of the Department as at that date.

## 2.4 General Deposit Account

The balances of the Deposits Accounts of the Ministry and the Department thereunder as at 31 December 2014 aggregated Rs.2.12 million. Details are shown below.

Ministry/ Department	Imprest Account No.	Balance as at 31 December 2014
		Rs.(Mn)
Ministry of Child Development and Women's Affairs	6000/0000/00/0015/0033/000	1.81
- do -	6000/0000/00/0006/0079/000	0.31
Total		2.12

## **2.5 Audit Observation**

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According to the financial records and books as at 31 December 2014, it was observed that subject to the audit observations appearing in the Management Audit Reports referred to in Paragraph 1:1, the Appropriation Account and Reconciliation Statements of the Ministry of Child Development and Women's Affairs and the Department thereunder have been prepared satisfactorily. The material and important observations out of the observations included in those Management Audit Reports, appear in paragraphs 3 to 4 herein.

## **3. Head 120 – Ministry of Child Development and Women's Affairs**

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### **3.1 Non-maintenance of Registers and Books**

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The Ministry had not maintained the following registers.

<b>Type of Register</b>	<b>Related Regulation</b>
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(a) Register of fixed assets for computers, accessories and softwares	Treasury Circular No. IAI/2002/02 dated 28 November 2002.
(b) Register for calling bids	Guideline No, 5.2.1. of the Government Procurement Guidelines.

### **3.2 Lack of Evidence for Audit**

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The following observations and made.

- (a) The details including matters discussed, decision taken and future action to be carried out with relevance to meetings held by spending Rs.6,072,137 during the

year under review in connection with avoiding violence against women and child abuse had not been furnished to audit.

- (b) A Circuit Bungalow in Anuradhapura had been obtained on rent for a period of 5 years, that is, from 2010 to 2014 and a sum of Rs.5,256,428 had been paid as rent for the bungalow for the period concerned. According to the information furnished to audit on 23 September 2015, twenty three officers who participated in 2 ceremonies held in 2010 and 2012 and 23 officers who carried out boards of survey had lodged in the bungalow. Accordingly, the names of officers of who lodged during 2011, 2013 and 2014 had not been furnished to audit.

### **3.3 Replies to Audit Queries**

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Replies had not been furnished for 11 audit queries furnished to the Ministry even by 13 October 2015. The value of transactions relating to those queries was Rs.50,873,885.

### **3.4 Appropriation Account**

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#### **3.4.1 Budgetary Variance**

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The following observations are made.

- (a) The entire net provision of Rs.32,475,000 made for 02 objects had been saved.
- (b) Due to the overprovision of Rs.94,268,232 made for 11 objects, the savings after utilization of the provision ranged between 31 to 96 per cent of the net provision of those objects.

### **3.5 Imprest Account**

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Ad hoc imprests obtained should be settled immediately after fulfilment of the work concerned in terms of Financial Regulation 371. However, ad hoc imprests aggregating

Rs.130,207 granted on 18 instances had been settled during a period ranging from 01 to 07 months, after completion of the work.

### **3.6 Reconciliations Statements relating to Advances to Public Officers' Account**

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Test checks carried out with regard to Reconciliation Statements of Item No. 12001 – Advances to Public Officers' Account as at 31 December 2014 revealed that 19 cheques aggregating Rs.2,962,350 drawn on 31 December 2013 for distress loans had been handed over to officers after delays ranging from 3 to 6 months. As a result, the government had been deprived of interest on loans amounting to Rs.45,705 (computed) which could have been recovered from officers.

### **3.7 Assets Management**

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The following shortcomings were observed at test checks carried out relating to assets of the Ministry.

#### **(a) Idle and Underutilized Assets**

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Six vehicles of the Ministry had been removed from usage and a period of 01 to 10 months had lapsed since the removal. One vehicle had been handed over to a garage for repairs in March 2015. Action had not been taken in terms of Financial Regulation 771 with regard to those vehicles.

#### **(b) Conduct of Annual Boards of Survey**

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The following observations are made.

- (i) According to the Public Finance Circular No. 02/2014 of 17 October 2014, the annual board of survey report should be furnished to the Auditor General before 17 March 2015. However, the Ministry had furnished those boards of survey reports to audit after a delay of 2 months, that is from 21 May to 30 July 2015.

(ii) Action had not been taken in terms of financial regulations with regard to surpluses, shortages and other recommendations pointed out by the board of survey for the years 2013 and 2014.

(iii) Many items of goods belonging to the Ministry such as, closed Advisory Centres and Elders' Centres and the items recommended for disposal at Head Office remained in stores even by 15 October 2015.

**(c) Unsettled Liabilities**

Unsettled liabilities of less than one year of the Ministry as at 31 December 2014 amounted to Rs.1,077,573.

**3.8 Non-compliance**

**Non-compliance with Laws, Rules and Regulations**

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

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
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**(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

(i) Financial Regulation 128(1)(a)	133,950	Training programmes which could have been conducted at the Auditorium of the Ministry had been held at an external training centre.
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(ii)	Financial 272(3)	Regulation	319,558,592	Paid vouchers should be furnished to audit within 6 weeks. However, paid vouchers of November and December 2014 had been presented to audit on 30 July 2015.
(iii)	Financial 165(1), 185(2) and 186	Regulations	1,839,236	All cash received by the receiving officer should be entered in the cash book and the books maintained for such purposes on the date of receipt itself. However, there were instances where the accounting and banking of cash received had been done after a delay of 7 to 28 days.
(iv)	Financial 168(1), 169 and 184	Regulations	-	A machine printed receipt on a specific form should be issued whenever money is received on behalf of the government. However, there were many instances where unissued receipts remained in the books even after obtaining the cash.
(v)	Financial 340(1) and 342(1)	Regulations	-	Counterfoil books obtained from the General Treasury should be securely kept and properly used. However, there were 9 instances where books had not been issued on a serial order.

- |        |                                   |   |   |
|--------|-----------------------------------|---|---|
| (vi)   | Financial Regulation 341          | - | A GAN 20 register should be maintained for receipt of counterfoil books and for noting activities relating to it. However, it had not been so done. |
| (vii)  | Financial Regulation<br>342(6)(b) | - | Receipts which cannot be used again should be cancelled. However, there were 2 counterfoil books with 19 unused receipts.                           |
| (viii) | Financial Regulation 343          | - | Four used/ unused counterfoil books had got lost on 31 October 2014 and 21 November 2014. The Ministry had not taken action in this connection.     |

**(b) Public Administration  
Circulars**

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|--|---------|---|
| -----<br>Circular No. 62/89 of 27<br>December 1998 | 694,850 | At least a copy of a daily newspaper relating to 2 out of 3 languages should be purchased. However, 2 to 30 copies of daily newspapers had been purchased during the year 2014. |
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(c) **Public Finance Circular**

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Circular No. 449 of 21 February  
2011

1,145,000

The maximum amount payable for services obtained from an external persons or a group of external persons is Rs.30,000. However, 12 officers had been paid Rs.80,000 each and a sum of Rs.185,000 had been paid to another officer for preparing sections of repots prepared by the Ministry relating to norms (SIDO) connected with rejection of all forms of ill treatment against women.

**3.9 Implementation of Projects through Domestic Financing**

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**Release of Money without rendering Goods or Services**  
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The following observations are made.

- (a) Money had been paid for 439 sewing machines valued at Rs.10,930,494 on 31 December 2014 for which orders had been placed by the Ministry on 17 November 2014. But, the goods had been delivered by the said firm in February and March 2015.
- (b) Eighty six water motors valued at Rs.3,164,800 had been purchased on 31 December 2014. Money had been paid without obtaining confirmation of receipts obtained from Divisional Secretaries with regard to 76 of those items.

- (c) The construction activities of the Auditorium of the Ministry had not been completed even by October 2015. Cheques valued at Rs.9,944,393 had been drawn on 31 December 2014 in this connection. Those cheques had been handed over to the Department of Buildings on 23 October 2015.
- (d) The Department of Government Printing had not printed 12,000 books of Code of Laws relating to Female Children and Early Childhood Development Standards valued at Rs.3,756,260 even by November 2015 for which payments had been made on 31 December 2014.

### **3.10 Performance**

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Certain main activities which had not been adequately fulfilled by the Ministry appear below.

#### **(a) Key Functions not Executed Adequately**

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The following observations are made.

- (i) During the year 2008, 1,494,000 Sterling Pounds had been received for protection of childhood and development from the Institute of Protection of Children and this had been deposited in the Central Bank of Sri Lanka in favour of the Deputy Secretary to the Treasury. This had been credited to the Consolidated Fund after an elapse of 6 years. According to the Trust Fund Deed entered into between the Institute of Protection of Children and the Ministry, it had been stated that in the Trust Deed that a Trust Fund named “Protection of Early Childhood and Development” should be created by an Act to utilize the money for the said purpose. Although the Ministry had taken action in this connection, the Fund could not be created even by end of the year under review.

- (ii) It was decided by the Cabinet of Ministers on 24 January 2014 that the financial provision of Rs.700 million allocated to the Ministry and the amount obtained from sale of flags should be utilized to implement the programmes stipulated in the memorandum more effectively as a method of utilizing the sum of 1,494,000 Sterling Pounds donated by the Institute of Protection of Children during the year 2008. But, out of the sum of Rs.600 million received for this purpose in the year 2014, a sum of Rs.537.38 million had been spent and a sum of Rs.70 million had been sent back to the Department of Treasury Operations on 31 December 2014.

**(b) Planning**

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Instances where activities had not been carried out as per Action Plan prepared in terms of the Public Finance Circular No. 01/2014 of 17 February 2014 appear below.

- (i) Although it had been planned to establish 95 units of Child and Women Development units at the Divisional Secretariat levels by spending Rs.5.43 million, 34 units alone had been established by spending Rs.5.43 million.
- (ii) It was targeted to conduct 5 programmes relating to protests against violence on the basis of male, female community relationship by providing a sum of Rs.0.5 million. Instead, under this awareness programmes for Field Officers of the Ministry and supply of relief for displaced people due to earth slips had been carried out.
- (iii) A sum of Rs.1.2 million had been provided to carry out a survey on children of women who go abroad. However, such a survey had been carried out by another Ministry and the sum of 0.418 million provided for

this had been utilized to supervise and to follow up other development programmes.

- (iv) It was planned to spend Rs.4.65 million on behalf of the Women’s Day. However, a sum of Rs.5.73 million had been spent on behalf of this, exceeding the said amount by Rs.1.08 million.

### 3.11 Deficiencies in Operating Bank Accounts

#### Balances to be Adjusted

Information revealed with regard to the analysis of adjustments shown in the Bank Reconciliation Statements prepared by the Ministry for the month of December 2014 appear below.

#### Details of Adjustments

#### Age Analysis

	Age Analysis	
	Over 06 months and less than 01 year	Over 01 year and less than 03 years
(i) Unrelaized cheques	-	20,644
(ii) Cheques issued, but not presented for payments	-	461,440
(iii) Unidentified credits	401,928	106,682

### **3.12 Transactions of Contentious Nature**

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Details of certain transactions of contentious nature entered into by the Ministry appear below.

- (a) According to the receipt orders of Divisional Secretariats, 36 utensils used for curries, 18 utensils used for frying purposes and an oil spraying machine had been received by those offices. But, this had not been mentioned in the issue orders of the Ministry.
  
- (b) Action had been taken to purchase 100 sliding boats for Rs.27,000,000 without appointing a procurement committee or a technical evaluation committee. The thickness of GI pipes to be used to manufacture those boats had not been mentioned in the quotations and orders had been placed for boats manufactured by using “Langwa” steel. Cheques had been drawn on 31 December 2013 which had subsequently been cancelled on 19 December 2014 and the amount concerned had been utilized for recurrent expenditure of 2014.

### **3.13 Irregular Transactions**

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An expenditure of Rs.998,500 had been incurred on 2 newspaper publications which were not relevant to the objectives of the Ministry.

### **3.14 Uneconomic Transactions**

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The particular of transactions entered into devoid of economy revealed at audit test checks appear below.

- (a) A sum of Rs.448,280 had been spent for a one paged coloured publication in a newspaper showing the handing over of the south Asian child Friendship Report to His Excellency the President.

- (b) A sum of Rs.2,419,032 had been spent to commemorate the International Womens Day while there were lot of activities to be carried out for upliftment of living standards of women.

### **3.15 Management Weaknesses**

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The following weaknesses were observed at audit test checks.

- (a) A ceremony scheduled to be held on 06 December 2014 had been cancelled. In spite of this, 500 books to be distributed at the ceremony had been printed on 31 December 2014 by spending Rs.256,050. Only 70 of those books had been distributed and 430 books valued at Rs.220,203 remained at the stores of the Ministry even by 30 September 2015.
- (b) Two cheques valued at Rs.11,694,000 had been issued to the National Savings Bank on 27 November 2014 to grant bursaries for children who comes from families with financial difficulties and for 1891 child patients suffering from Kydney diseases. Those cheques had been realized by the bank. However, the amount concerned had been credited to the accounts of those children in July 2015 after a delay of about 7 months. 233 pass books had not been sent to the Divisional Secretariats concerned even by 10 August 2015 and confirmation for receipts of other books by beneficiary children had not been obtained. Accordingly, action had not been taken to enable those children to earn the interest of about Rs.311.840 due for 6 months.
- (c) Ten thousand DVD cassettes comprising 4 short films had been produced for distribution among governmental and non-governmental organizations by spending Rs.830,000 on 30 December 2013. 8,750 of those cassettes were lying in the women's committee stores even by 10 October 2015. Meanwhile, a further

sum of Rs.70,000 had been spent to copy 700 numbers DVD cassettes. Clear details of distribution of these cassettes had not been furnished to audit.

- (d) The Ministry had entered into an agreement with the Chairman of the Welfare Association of the Urban Development Authority for activities pertaining to improvements to Day Care Centres maintained by the Association. Accordingly, a cheque for Rs.2,918,152 had been drawn on 31 December 2014 in favour of the Chairman of the Authority. These cheques had been retained at the Ministry till 30 June 2015 and had subsequently been cancelled. This amount had been noted as an expenditure of the year 2014 and had been used for expenditure of the year 2015.
- (e) Seven hundred and forty two books and 12 DVD cassettes printed from 2001 to 2012 had not been distributed and were lying in the stores of the Women's Bureau for many years.
- (f) Two hundred DVD cassettes valued at Rs.36,800, 12,957 books valued at Rs.230,940, 1,600 file covers valued at Rs.61,600, 18,050 handouts valued at Rs.83,500 and 5,000 posters valued at Rs.31,000 printed during the year under review were lying at the stores of the Ministry even by November 2015.

### **3.16 Human Resources Management**

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**(a) Approved Cadre and the Actual Cadre**  
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The position of cadre as at 31 December 2014 as follows.

<b>Category of Employee</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>No. of Vacancies</b>
(i) Senior Level	27	24	03
(ii) Tertiary Level	17	12	05
(iii) Secondary Level	1,423	1,113	310
(iv) Primary Level	68	64	04
<b>Total</b>	<b>1,535</b>	<b>1,213</b>	<b>322</b>

The Ministry had failed to fill 322 vacancies by end of the year under review.

#### **4. Head 217 – Department of Probation and Child Care Services**

##### **4.1 Non-maintenance of Registers and Books**

The Department had not maintained certain books shown below. It was observed at audit test checks that certain registers had not been updated and properly maintained.

<b>Type of Register</b>	<b>Related Regulation</b>	<b>Observations</b>
Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978	Not updated
Register of Losses	Financial Regulation 110	Not updated
Register of Attendance relating to presence at Procurement/ Technical Evaluation Committees	Guideline 2.11.2 of the Government Procurement Guidelines	A register had not been maintained
Register calling for Bids	Guideline 5.2.1 of the Government Procurement Guidelines	A register had not been maintained

## **4.2 Appropriation Account**

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### **4.2.1 Budgetary Variance**

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Provisions made by Annual Budget Estimates for 09 Objects had been transferred to other Objects ranging from 30 per cent to 965 per cent.

### **4.2.2 Utilization of Provision made available by Other Ministries**

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Out of the provision of Rs.82.5 million made available by the Ministry of Child Development and Women's Affairs for various activities, a sum of Rs.70.1 million had been utilized and a sum of Rs.12.4 million had been saved.

### **4.2.3 Reconciliation Statement relating to Advances to Public Officers' Account**

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The following deficiency was observed at a test check carried out with regard to the Reconciliation Statement of Item No.21701, Advances to Public Officers' Account as at 31 December 2014.

The unsettled balance of loan amounting to Rs.153,310 as at 31 December 2014 of an officer who had retired in April 2014 had not been shown as balance of loan recoverable from the retired officer under the classification of individual loan balances.

## **4.3 Assets Management**

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The following shortcomings were observed at audit test checks carried out with regard to the assets of the Department.

(a) **Idle Assets**  
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A cab belonging to the Department remained parked at the Paraththa training centre for about 1 ½ years without being used.

(b) **Underutilization of Assets**  
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A sum of Rs.1,294,385 had been received from the UNICEF on behalf Projects/ Programmes implemented during the year under review. This had been kept in the General Deposit Account and had been remitted to the Ministry on 31 December 2014.

(c) **Conduct of Annual Board of Surveys**  
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Action had not been taken in terms of Financial Regulations with regard to recommendations pointed out in the Board of Survey Reports for the year 2014.

**4.4 Non-compliance**  
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**Non -compliance with Laws, Rules and Regulations**  
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The van belonging to the Department had met with an accident in October 2014. Police report, preliminary investigation report, preliminary report and final report had not been furnished to audit in this regard in terms of Financial Regulations 103 and 104.

**4.5 Performance**  
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According to the Annual Action Plan and the Performance Report of 2014 the targets expected from the Action Plan could not be reached in the following instances.

- (a) It had been planned to offer beneficiary grant amounting to R.281 million to 125 children under the “Sevana Sarana Kepakaru Mapiya Kramaya”. However, a sum of Rs.248 million only had been granted to 71 children.

- (b) A sum of Rs.800,000 had been allocated to 50 Child Friendly Spaces (Happy Centres). However, only 4 such centres had been established by spending Rs.775,000.
- (c) A sum of Rs.500,00 had been provided to conduct 20 programmes for Media Workshops and Publications for Child Development. However, only 10 programmes had been conducted by utilizing that provision.
- (d) A sum of Rs.500,000 had been provided to prepare 2 departmental magazines. However, one magazine alone had been printed by spending Rs.461,000.
- (e) The entire provision of Rs.1,000,000 made for carrying out surveys to identify children who face risks had been utilized. But, the survey report had not been obtained.
- (f) A sum of Rs.50,000 had been provided to prepare alternate security policies. However, no activities had been performed in this regard.
- (f) A sum of Rs.300,000 had been provided to establish Children's Rights Committees at rural level and of this a sum of Rs.249,000 had been utilized. However, such committees had not been established.
- (h) The provision of Rs.50,000 had been utilized for network and co-ordination activities. However, no such work had been done.

#### 4.6 Human Resources Management

##### Approved Cadre and the Actual Cadre

The position of cadre as at 31 December 2014 is as follows.

<b>Category of Employee</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>No.of Vacancies</b>
(i) Senior Level	6	2	4
(ii) Tertiary Level	240	236	4
(iii) Secondary Level	224	170	54
(iv) Primary Level	17	13	4
Total	487	421	66

The following observation is made.

The Department had failed to fill 66 vacancies as at end of the year under review.