

Report of the Auditor General on Head 106 – Ministry of Disaster Management and the Department under the Ministry - Year 2014

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

<u>Head</u>	<u>Department</u>
304	Department of Meteorology

1.1 Scope of Audit

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Ministry of Disaster Management and the Department of Meteorology referred to in paragraph 1 above, for the year ended 31 December 2014 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 of the Ministry and Director General of the Department, on the under mentioned dates. The audit observations, comments and findings on the accounts and 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.

<u>Head</u>	<u>Ministry/ Department</u>	<u>Date of Issue of Management Audit Report</u>
106	Ministry of Disaster Management	08 October 2015
304	Department of Meteorology	08 October 2015

1.2 Responsibilities 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 Accounts and the Reconciliation Statements in accordance with the provisions in Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and the Public Finance and Administrative Regulations. This responsibility includes: designing, implementing, 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. Accounts

2.1 Appropriation Accounts

Total Provision and Expenditure

The total net provision made for the Ministry and the Department under the Ministry amounted to Rs.4,546.38 million and out of that Rs.4,310.03 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions of the Ministry and the Department amounted to Rs.225.27 million and Rs.11.08 or 5.29 per cent and 3.81 per cent of the net provisions. Details appear below.

Head	<u>As at 31 December 2014</u>			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
106	4,255.85	4,030.58	225.27	5.29
304	290.53	279.45	11.08	3.81
Total	4,546.38	4,310.03	236.35	5.20

2.2 Advance Accounts

2.2.1 Advances to Public Officers Accounts

2.2.2 Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Accounts of the Ministry and the Department under the Ministry and the actual amounts are given below.

Item Number	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
10601	7.0	6.8	2.5	3.7	16.0	12.9
30401	10.0	7.0	5.5	7.9	60.0	30.5

2.3 General Deposit Accounts

The balances of Deposit Accounts of the Ministry and the Department under the Ministry as at 31 December 2014 totalled Rs.10.90 million. Details appear below.

Ministry / Department	Deposit Account Number	Balance as at 31 December 2014
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		Rs.Millions
Ministry of Disaster Management	6000/0000/00/0015/0020/000	1.65
Department of Meteorology	6000/0000/00/0015/0159/000	9.25

		10.90
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2.4 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2014, the Appropriation Accounts and the Reconciliation Statements of the Ministry of Disaster Management and the Department of Meteorology had been satisfactorily prepared, subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important observations out of the observations included in those Management Audit Reports appear in Paragraph 3 and 4 herein.

3. Head 106 – Ministry of Disaster Management

3.1 Non – maintenance of Register and Books

It was observed during audit test checks that the Ministry had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Category of Registers	Relevant Regulation	Observation
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(a) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. I/A/I/2002/02 dated November 2002.	Not maintained.
(b) Register of Cheques and Money Orders	Financial Regulation 451 - Form G.A.M.83	Not maintained.
(c) Register of Official Telephone Calls	Financial Regulation 845 - (1) Appendix 26	Not maintained.
(d) Register of Electrical Equipment	Financial Regulation 454 (2)	Not maintained.
(e) Register of Liabilities	Financial Regulation 214	Not maintained.
(f) Register of Counterfoil Books	Financial Regulation 341 – Form GAN 20	Not maintained.

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|-----|---|---|-----------------|
| (g) | Stock Book of Fuel and Lubricants | Financial Regulation 1645 (a) – Form General 267 | Not maintained. |
| (h) | Register of Listing of Vehicles | Financial Regulation 1647 (e) | Not maintained. |
| (i) | Attendance Register of Procurement Committees and Technical Evaluation Committees | Guideline 2.11.2 of Government Procurement Guidelines | Not maintained. |
| (j) | Minutes of Committee Meetings | Guideline 2.11.3 (a) of Government Procurement Guidelines | Not maintained. |
| (k) | Vehicle Log Book | Financial Regulation 1647 (d) | Not updated. |
| (l) | Register of Fixed Assets | Treasury Circular No.842 of 19 December 1978 | Not updated. |

3.2 Appropriation Account

3.2.1 Budgetary Variance

Out of the provisions totalling Rs.558.94 million made for 8 Objects, a sum of Rs.517.41 million had been utilized. The Department of Treasury Operations, had not issued the imprests to the Ministry and as such a sum of Rs.41.53 million out of the net provisions made for those Objects or provisions ranging from 55 per cent to 100 per cent had been saved.

3.3 Assets Management

Conduct of Annual Board of Survey

According to the Public Finance Circular No.02/2014 of 17 October 2014, the Board of Survey for the year should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2015. Nevertheless the Ministry had not furnished

those reports even by 31 May 2015. The last Board of Survey conducted had been for the year 2013.

3.4 Non – compliances

Non – compliance with Laws, Rules and Regulations

In terms of the Section 4.2.3 of the Chapter XXIV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, action had not been taken to obtain declarations for the options to commute the pension and authorize the Director Pensions or the Head of the Department to recover the loan balances of employees outstanding at the time of retiring, according to the Form of Irrevocable Undertaking to Commute Pensions shown in the Appendix 23.

3.5 Performance

The observations on the progress of the Ministry according to the Annual Budget Estimates and Action Plan for the year 2014 are given below.

(a) Key Functions not Executed Adequately

The key functions of the Ministry had not been executed adequately and several such instances revealed are given below.

- (i) Provisions of Rs.60,146,608 had been made by the Ministry for 24 Districts in the year under review to construct 139 houses, which are sustainable for disasters. The constructions of 54 houses in 09 districts and 14 houses in 03 districts had been completed by 20 November 2015. Accordingly, the constructions of 68 houses had been fully completed and constructions of 71 houses had not been completed.

- (ii) In view of purchasing of water tanks for 03 districts of Hambanthota, Kalutara and Monaragala a sum of Rs.4,000,000 comprising Rs.2,000,000, Rs.1,000,000 and Rs.1,000,000 respectively had been given by the Disaster Relief Centre to the respective District Secretariats. However, the quantity of the tanks should be purchased had not been indicated and 26 water tanks of 1000 liters had been purchased for Monaragala District only by incurring Rs.299,000. While 181 water tanks and 49 tanks had been purchased incurring sums of Rs.2,224,000 and Rs.495,000 for Kalutara District and Hambanthota District respectively. Accordingly, water tanks valued at Rs.3,018,490 had been purchased. The details relating to the balance amount of Rs.981,510 had not been furnished to audit.

3.6 Human Resources Management

(a) Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	23	18	05
(ii)	Tertiary Level	04	02	02
(iii)	Secondary Level	441	401	40
(iv)	Primary Level	47	33	14
(v)	Others (Casual/ Temporary/ Contract Basis)	02	-	02
	Total	517	454	63

The following observation is made.

Sixty three posts comprising Assistant Director, Administrative Officer of the National Disaster Relief Centre and Internal Auditor of the Ministry had been vacant by the end of the year under review.

(b) Human Resources obtained from Other Parties

The Ministry had obtained the following human resources from other parties.

Category of Employees	Number	Other Party	Period
Management Assistant	01	Western Provincial Ministry of Power and Energy	From 09.01.2011 to 09.01.2015
Personal Assistant	01	Ministry of Languages and Social Integration	From 01.01.2011 to 09.01.2015
Driver	01	National Water Supply and Drainage Board	From 09.06.2013 to 09.01.2015

4. Head 304 – Department of Meteorology

4.1 Non – maintenance of Books and Registers

It was observed during audit test checks that the Department 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	Observations
(a) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No.IAI/2002/02 of 28 November 2002	Not maintained.
(b) Register of Official Telephones	Financial Regulation 845 (1) – Appendix 26	Not maintained.
(c) Register of Security	Financial Regulation 891 (1)	Not maintained.
(d) Register of Electrical Equipment	Financial Regulation 454 (2)	Not maintained.

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|-----|---|---|-----------------|
| (e) | Stock Book of Fuel and Lubricants | Financial Regulation 1647 (d) | Not maintained. |
| (f) | Attendance Register of Procurement Committee and Technical Evaluation Committee | Guideline 2.11.2 of the Government Procurement Guidelines | Not maintained. |

4.2 Appropriation Account

Budgetary Variance

Even though the provisions of Rs.17,095,479 had been made for Object 304 – 2 – 1 – 2104 – 11, the Department of Treasury Operations had not issued imprests adequately and as such a sum of Rs.10,001,486 or 58.5 per cent out of the total provisions could not be utilized.

4.3 General Deposit Account

Action in terms of Financial Regulation 571 had not been taken on 06 deposits older than 02 years totalling Rs.3,196,562.

4.4 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account, Item No.30401 as at 31 December 2014, the balances that remained outstanding as at that date, totalled Rs.172,479. Even though those outstanding balances remained over periods ranging from 05 years to 21 years, the Department had failed to recover those loan balances.

4.5 Assets Management

The following deficiencies were observed during the course of audit test checks of the assets of the Department.

(a) Non – current Assets

A sum of Rs.1,143,790 had been incurred to landscape with grass in the premises of the Department of Meteorology. Even though those expenses should be included under the expenditure of Maintenance of Premises, it was included under the Land and Land Improvement in the Register of Fixed Assets.

(b) Assets given to External Parties

A land in extent of 99.4 perches, out of the land in which the Head Office of the Department situated had been given to construct the building of the Ministry of Disaster Management in the year 2008 while the outright ownership of the land had not been transferred to the Ministry even by 31 December 2014.

4.6 Losses and Damage

According to the Statement of Losses and Recoveries of the Department for the year under review, a sum of Rs.126,580 unrecovered for over 5 years had remained further, without being recovered or written off or waived off.

4.7 Performance

The observation relating to the progress of the Department according to the Annual Budget Estimate and the Action Plan of 2014, is given below.

Doppler Radar System

A sum of Rs.320,000,000 had been paid to the World Meteorology Centre to purchase Doppler Radar System in the years 2007 and 2008. A contract had been entered into with the Central Engineering Consultancy Bureau for installation the machine at an estimated cost of Rs.60,452,000. Accordingly, a sum of Rs.50,131,059 with Value Added Tax had been paid to the Bureau as at 31 December 2013. That machine had been installed and completed by October 2013. However, the machine had not been operated even by 30 September 2015 and as such it was observed in audit that the machine had remained idle since its installation for a period of 1 year and 11 months.

4.8 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	54	39	15
(ii) Tertiary Level	29	04	25
(iii) Secondary Level	238	170	68
(iv) Primary Level	139	118	21
(v) Others (Casual/ Temporary/ Contract Basis)	-	10	-
Total	460	331	129