

5. Head 3 – Secretariat for Special Functions (Senior Ministers)

5.1 Non- maintenance of Registers and Books

It was observed during audit test checks that the Secretariat had not maintained the following register while another register had not been maintained in the proper and updated manner.

Type of Registers	Relevant Regulation	Observations
Register of Computers, Accessories and Software	Treasury Circular No.IAI/2002/02 of 28 November 2002	Not maintained
Register of Fixed Assets	Treasury Circular No.842 of 19 December 1978	Not updated

5.2 Replies to Audit queries

Replies to 8 audit queries forwarded to the Secretariat during the year under review had not been furnished even by 31 March 2015.

5.3 Appropriation Account

Budgetary Variance

The following observations are made.

- (a) The total net provisions amounting to Rs.7,000,000 made for 09 Objects had been saved.
- (b) Excess provisions had been made for 72 Objects and as such the savings after utilization of provisions, ranged between 11 per cent to 99 per cent of the net provision relating to the respective Objects.

5.4 Good Governance and Accountability

Annual Action Plan

Even though the Secretariat should prepare an Annual Action Plan in terms of the Public Finance Circular No.01/2014 of 17 February 2014, an Action Plan for the year under review had not been prepared.

5.5 Assets Management

Conduct of Annual Boards of Survey

Even though the Annual Board of Survey for the year 2014 should be conducted and reports thereon should be forwarded to the Auditor General before 17 March 2015 in terms of the Public Finance Circular No. 02/2014 of 17 October 2014, those reports had not been forwarded to audit even by 31 May 2015. The last Board of Survey conducted had been for the year 2013.

5.6 Non-compliances

Non-compliance with Laws, Rules and Regulations

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
	Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i) Financial Regulation 225(1)	1,371,144	Payment had been made by obtaining a photocopy of the voucher paid previously, inserting the amount and certifying.
(ii) Financial Regulation 1646		The original of the summary of travel and Daily Running Charts of the pool motor vehicles had not been forwarded to the Auditor General.
(b) Public Administration Circulars		
Circular No. 09/2009 of 17 June 2009.	-	Three Project Officers had not supported their arrival and departure through the finger print machines.

(c) Public Finance Circulars

Circular No.353(5) of 31 480,000 Hire charges at monthly hire
August 2004- Paragraph 02. charge of Rs.80,000 had been
paid for six of motor vehicles.

5.7 Performance

Functions contrary to Key Functions

Instances of action taken by the Secretariat contrary to the objectives were observed.
Several such instances revealed during the course of test checks are given below.

- (a) Out of the provision of Rs.85,000,000 made from the Consolidated Fund for the project on co-ordination and supervision frame work of Scientific activities, a sum of Rs.200,000 had been donated for the conduct of a workshop of a particular association.
- (b) A sum of Rs.1,515,652 out of the provisions made for the above project had been spent contrary to the objectives of the project, for the capital improvements to the building.

5.8 Transactions of Contentions Nature

Certain transactions executed by the Secretariat had been of contentious nature.
Particulars of several such transactions revealed during the course of test checks appear below.

- (a) Even though the staff of the project on co-ordination and supervision frame work of scientific activities had been 39, fifty five computers had been purchased. (44 Laptops, 06 Tabs and 05 Computers.)
- (b) An officer whose services had been terminated by releasing had been provided motor vehicle facility from the above project.

5.9 Irregular Transactions

Certain transactions entered into by the Secretariat had been devoid of regularity.
Several such instances observed are given below.

(a) Deviation from the Government Procurement Guidelines Procedure

The following observations are made.

- (i) Even though a computer designing patterns had been purchased for Rs.217,000, action in terms of Guideline 5.1.1 of the Government Procurement Guidelines had not been taken in that connection.
- (ii) A sum of Rs.373,000 for the conduct of a seminar and a sum of Rs.250,000 for the preparation of a web site for the National Consumer Welfare Policy had been spent based on the quotation of one institution without taking action to follow the Shopping Procedure in accordance with the Guideline 3.4 of the Government Procurement Guidelines.
- (iii) Purchases valued at Rs.579,499 had been made in 05 instances on the quotation obtained from one institution without following the Shopping Procedure.

(b) Transactions without Authority

The following observations are made.

- (i) Four motor vehicles had been procured on hire and allocated to 04 officers not entitled to motor vehicles without obtaining the approval of the Secretary.
- (ii) A web site for search of information had been obtained on hire for 6 months at a cost of Rs.3,392,103 without obtaining the approval of the Secretary.

5.10 Uneconomic Transactions

The particulars of transactions entered into devoid of economy revealed during the course of test checks are given below.

- (a) The Server purchase for Rs.620,750 on 31 December 2013 for a project due for completion in the year 2015 had remained without being used even by September 2014.
- (b) Expenditure amounting to the Rs.889,675 for wiring the building and a sum of Rs.1,661,453 for the installation of wifi facilities, totalling Rs.2,551,128 had been spent in August 2014 for a project due for completion in the year 2015.
- (c) A workshop on the use of bio – technology for health, agriculture and industries had been conducted. The particulars of persons who participated had not been presented to audit. Even though an estimate of Rs.1,460,000 had been prepared for the workshop for the participation of 300 persons, the expenditure incurred amounted to Rs.1,640,668 and as such the expenditure per participant amounted to the Rs.5,469.

5.11 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	19	06	13
(ii) Tertiary Level	01	01	-
(iii) Secondary Level	35	26	09
(iv) Primary Level	112	102	10
(v) Others(Casual, Temporary/Contract Basis)	140	140	-
Total	307	275	32

The following observation is made.

Two officers who had resigned from service had been recruited in the recruitment of officers to a project to posts higher than they held previously without following the proper methodology.