

Report of the Auditor General on Head 120 - Ministry of Women and Child Affairs - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records, of the Head 120 - Ministry of Women and Child Affairs for the year ended 31 December 2015, 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 Secretary to the Ministry of Women and Child Affairs on 23 September 2016. 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.

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 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

Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.5,044.39 million and out of that, a sum of Rs.4,157.86 million had been utilized by the end of the year under review. Accordingly, savings out of the net provisions of the Ministry amounted to Rs.886.53 million representing 17.57 per cent of the total net provision. Particulars are given below.

<u>As at 31 December 2015</u>				
<u>Expenditure</u>	<u>Net Provision</u>	<u>Utilization</u>	<u>Savings</u>	<u>Savings, as a Percentage of Net Provision</u>
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	Rs.(Millions)	Rs. (Millions)	Rs. (Millions)	
Recurrent	4,379.69	3,717.62	662.07	15.12
Capital	664.70	440.24	224.46	33.77
Total	5,044.39	4,157.86	886.53	17.57

2.2 Advance Account

2.2.1 Advances to Public Officers' Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers' Account Item No.12001 relating to the Ministry and the actual values are shown below.

<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.(Millions)	Rs.(Millions)	Rs.(Millions)	Rs.(Millions)	Rs.(Millions)	Rs.(Millions)
40.00	25.70	17.00	19.71	85.00	63.81

2.3 Audit Observation

The Appropriation Account and Reconciliation Statements of the Ministry of Women and Child Affairs for the year ended 31 December 2015 have been prepared satisfactorily, subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. Out of the observations, the material and significant observations appear in paragraph 3 herein.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers 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.

<u>Type of Register</u>	<u>Related Regulation</u>	<u>Observations</u>
(i) Register of Losses	Financial Regulation 110	Not updated.
(ii) Register of Liabilities	Financial regulation 214	Not maintained.

3.2 Appropriation Account

3.2.1 Budgetary Variance

The following observations are made.

- The entire net provision of Rs.174,772,190 made for 12 Objects had been saved.
- Due to the overprovision made for 16 objects, the savings after utilization of the provision ranged from 50 to 90 per cent of the net provision.

3.3 Imprest Accounts

Even though ad-hoc sub imprests obtained should be settled within 10 days after completion of the purpose in terms of Financial Regulation 371(5) revised by Public Finance Circular No.03/2015 of 14 July 2015, ad-hoc sub imprests aggregating Rs.1,169,771 granted in 71 instances had been settled during a period ranging from 01 to 09 months, after the completion of purposes.

3.4 Good Governance and Accountability

3.4.1 Annual Procurement Plan

Provisions of Rs.305 million had been made from the Budget Estimate for obtaining goods and services in accordance with the Government Procurement Guidelines. A Procurement Time Schedule prepared in detail according to the period of purchase in terms of the paragraph of the National Budget Circular No.128 of 24 March 2006 for utilizing those provisions, was not available. Moreover, it had been stated in the Procurement Plan that purchases are made throughout the year according to the requirement. However, out of the purchases made in the year under review by the Ministry, purchases of Rs.9,660,471 had been made during the two months of November and December.

3.4.2 Internal Audit

The following observations are made.

- (a) Even though offices such as the State Ministry for Child affairs, Department of Probation and Child Care Services, Child Development Fund, Child Secretariat, Women's Bureau, Women's Committee had been subjected to the audit of the internal audit scope of the Ministry, only a staff comprising the Chief Internal Auditor with four persons had been engaged in performing their functions. Except the Chief internal Auditor, the other three officers had not obtained adequate qualifications in carrying out audit.
- (b) The main responsibility of the management is to bring about a performance in the entire function with a view to establishing an efficient internal control structure within the legal frame affecting the existence of the Ministry. Even though a methodology required for its assistance should be prepared and that role should be assigned to the internal audit, the management had not paid attention thereon.
- (c) The Internal Audit Plan should have been prepared so as to cover all controls and systems of the Ministry and the 06 institutions under it according to paragraph 7 of the Management Audit Circular No. DMA/2009(1) of 09 June 2009. Even though the plans had been prepared so as to cover sections with more risk, adequate audit had not been carried out in respect of 07 main items which were mentioned in the Internal Audit Plan for which provisions of Rs.73.59 million had been made.
- (d) The Internal Audit Unit had issued 22 audit queries in the year under review. Only 13 out of them had been answered by the Management. The Management had not paid attention to the matters pointed out by 9 queries. Action had not been taken even by the end of the

year under review to rectify the deficiencies pointed out by the audit queries which had been answered.

3.4.3 Annual Performance Report

Even though the Performance Report should be tabled in Parliament within 150 days after the close of the financial year by the Ministry in terms of Public Finance Circular No.402 of 12 September 2002, that report had not been tabled in Parliament even by 31 August 2016.

3.5 Non-compliances

Non-compliance with Laws, Rules and Regulations

Even though all electronic and printed media tasks of all institutions owned by the Government including all Ministries and Departments should be performed by state media institutions according to the Cabinet Paper No. 04/0427/020/002 of 12 May 2004, newspaper advertisements for Nutritional Food Package programme and wishes for the World Children's Day had been made through private media institutions by paying a sum of Rs.2,079,257.

3.6 Performance

The observations on the progress of the Ministry according to the Annual Budget Estimate and the Action Plan of 2015 are as follows.

(a) Activities contrary to Key Functions

The following observations are made.

- (i) Even though the mission of the Ministry is formulating, executing and regulating provisions and policies aligned to practices of good governance to ensure the rights of children and women, enforcement of laws and policies formulated for ensuring, protecting and promoting the rights of children and women had not been implemented.
- (ii) Provisions totalling Rs.15.87 million had been made under matters such as commemorating the national ceremony on International Women's Day, awareness programmes by Divisional Secretariats, media programmes, designing flags for the Women's Day, commemorating the Women's Day by the Women's Bureau and holding the main ceremony of the International Women's Day and out of that, a sum of Rs.11.148 million had been spent for holding ceremonies in Anuradhapura, Kilinochchi and the Divisional Secretariats. Those monies could have been spent on introducing sustainable strategies and implementing them for the resolution of serious social and economic issues faced by women. Moreover, it had been planned to hold the official ceremony of the International Women's Day in Anuradhapura. However, the number of participants and the manner in which the premises for the ceremony and stalls and stages should be arranged had not been properly planned. As such, a sum of Rs.771,890 had been paid exceeding the agreed quotations. Moreover, a sum of Rs.736,685 had been paid for food and beverages as well.

(b) Key Functions not executed adequately

The following observations are made.

- (i) Even though the State Ministry for Child Affairs had made provisions of Rs.15 million for the Lama Saviya Programme, a sum of Rs.16.6 million had been spent thereon. A sum of Rs.7.2 million had been spent for the International Children's Day ceremony while a sum of Rs.6.17 million had been paid out of that, to a private firm for the organization of ceremonies, publishing newspaper advertisements, dancing troops and other sundry expenses. Only a sum of Rs.0.61 million had been spent for distribution of gifts to children.
- (ii) Even though the outcome expected by the Ministry is a society free of violation of women and child abuse, it was revealed in audit that the number of incidents of violation against women and child abuse faced by women and children exposed by newspapers alone, had been 818 in the year 2015. The Ministry had not taken any steps whatsoever in respect of those incidents.

(c) Prevention and Eradication of all types of Violence against Women and Girl Children

Thirty seven Child and Women Development Centre Assistant Officers had been attached to 37 Ministries under the above theme and 100 programmes on Creating a Knowledgeable and Sensitive Society on Child and Women Issues had been conducted for the officers employed in the ministries and provisions of Rs.4 million had been made for making aware of 10,000 beneficiaries. Nevertheless, no activity whatsoever had been carried out and a sum of Rs.24,140,162 had been paid as salaries and allowances in the year 2015 for these officers by the Ministry. Thirty one officers so attached had left, getting transfers to other departments and other means of employment by April 2016. Out of those officers, the 06 officers remaining in those ministries had not performed the duties assigned to them and there was no co-ordination between the Ministry and those officers as well.

(d) Implementation of Welfare Programmes

Provisions of Rs.2,760 million had been made for the Welfare Object of the Ministry as Rs.2,500 million for the Nutrition Food Package for Pregnant Mothers Programme and Rs.260 million for the Glass of Fresh Milk Programme. The following observations are made in this connection.

(i) Nutrition Food Package for Pregnant Mothers Programme

In addition to the provisions of Rs.2,500 million made for the Nutritious Bag Programme, additional provisions of Rs.500 million had been obtained. Out of that, only a sum of Rs.2,422 million had been spent. Sums of Rs.7.00 million for holding 04 ceremonies for the inauguration of the Nutrition Package Programme, Rs.1.93 million for publishing newspaper advertisements and Rs.0.41 million for invitation cards and posters had been spent.

(ii) **Glass of Fresh Milk Programme**

Even though provisions of Rs.260 million had been made for the Glass of Fresh Milk Programme, out of that, a sum of Rs.39.39 million had been transferred to other Objects. A sum of Rs.31.78 million had been saved and a sum of Rs.188.82 million had been spent therefor. It had been pointed out by the Director of Maternal and Child Health that priority should be given to nutritious adult food in improving the nutrition level of children above 2 years of age and that 100 millilitres of milk contains 87.5 millilitres of water. Moreover, several practical problems had to be faced in implementing this programme and as such, the expected levels of nutrition had not been reached. Nevertheless, this programme had been further implemented in the year 2016.

(iii) **Revolving Loan Programme**

Only the details of 151 Divisions had been provided to audit in respect of the Revolving Loan Programme implemented in 304 Divisional Secretariat Divisions by providing Rs.93 million from the year 1990 up to the year 2013 by the Sri Lanka Women's Bureau. A sum of Rs.46.96 million had existed in those accounts as at 31 December 2015 for the sum of Rs.43.307 million provided to those Divisions. It was observed by the information made available, that this programme had not functioned as a revolving loan programme due to the existence of such balance, that the programme is not functioning in 06 Divisions and that provisions totalling Rs.1.6 million made for 7 Divisional Offices had not been received to those Divisions. Payments amounting to Rs.0.94 million had been evaded by 95 debtors in 14 Divisions.

3.7 Transactions of Contentious Nature

A transaction of contentious nature carried out by the Ministry had been revealed during the audit test checks. Details are as follows.

Provisions of Rs.170 million had been made for the Project on Improvement of Services of Ampara, Trincomalee and the Northern Province. That amount had been entirely saved. On calling for explanations, the Secretary to the Ministry had informed that this Project is not a function which comes under the scope of the Ministry and that instructions had been sought from the Director General of the Department of External Resources by Letter No. WA/04/02/01/2015 of 23 June 2015 but there had been no response.

3.8 Irregular Transactions

Certain transactions entered into by the Ministry had been irregular. An instance so observed, is given below.

(a) **Deviation from Government Procurement Procedure**

The Ministry of Child Development and Women's Affairs had not maintained a Contract Register and in establishing the Ministry in the Sethsiripaya Building, the contract had been awarded to the Department of Buildings for the partition and carpeting of the third, fourth and fifth floors without calling for quotations. An agreement had not been entered into with the Department of Buildings and a Bill Of Quantities as well had not been

submitted for the estimate of Rs.45,534,720. According to the information mentioned in the file, the total of the expenses amounted to Rs.37,932,224. However, a total of Rs.52,926,670 had been paid to the Department of Buildings in 8 instances. Accordingly, a sum of Rs.14,994,446 had been paid exceeding the estimate.

3.9 Management Weaknesses

The following weaknesses were observed during the course of audit test checks.

- (a) A sum of Rs.2.82 million had been spent in the year under review by conducting programmes to make aware of 5,467 beneficiaries in the estate sector on violence against women and prevention of teenage mothers. A sum totalling Rs. 3.65 million had been paid to 02 private institutions for conducting 03 researches on teenage mothers, cybercrimes, violence against women and violence against women in the estate sector. The data required for these researches had been obtained from the services of the Ministry on 1938 and 1929 of the Child Protection Authority, Women Development Officers, Child Rights Promotion Officers and Probation Officers, who are officers of the Ministry and officers of other state institutions. Moreover, alternate methodologies had been used in instances where obtaining information was difficult and the information which should be obtained from state institutions had been provided through the intervention of the Ministry. According to the agreements, it is mentioned between the two parties that if these research reports fail to be submitted on the due date, a certain sum of the agreed amount would be deducted. Nevertheless, details as to how it should be computed, had not been mentioned. Despite this situation, the reports had been submitted after one month of the due date of submission of reports. The checking of these reports was being carried out even by the end of the year under review and the implementation of the recommendations of those reports had not been taken into consideration even by 31 December 2015.
- (b) A damage valued at Rs.5,069,907 had occurred in respect of the motor vehicle that met with an accident on 10 June 2015, belonging to the Ministry. Even though a year had elapsed as at 12 July 2016 after the accident, the Insurance Company had not agreed to pay insurance indemnity and the final report had been submitted on losses under Financial Regulation 104(4). However, the amount decided to be recovered from the responsible officers and the insured amount and the amount that could be recovered had not been indicated.

3.11 Human Resources Management

Approved Cadre and Actual Cadre

The position on the cadre as at 31 December 2015 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	29	25	04
(ii) Tertiary Level	17	11	06
(iii) Secondary Level	1,435	1,097	338
(iv) Primary Level	79	69	10
Total	1,560	1,202	358

The following observations are made.

- The number of vacancies of Women Development Officers and Assistant Counselling Officers attached to the Divisional Secretariats had been mentioned as 338. Moreover, it was observed that follow up action and supervision of monthly progress reports by duly getting them down to the Ministry through the District Officer in respect of duties performed by 1,097 officers engaged in service at present and that adequate explanations had not been given by the reports that had been sent as well.
- Vacancies existed in 04 posts of Officers of senior level and 06 posts of Officers of tertiary level. As such, it was observed that planning and supervision of activities relating to Ministerial functions performed by the Divisional Secretariats and the activities of the Department of Probation and Childcare Services, National Child Protection Authority, Child Development Fund, Child Secretariat, Women's Bureau, Women's Committee and the Development Division could not be carried out properly.