

**Report of the Auditor General on Head 161 – Ministry of Sustainable Development and Wildlife – Year 2015**

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 161 – Ministry of Sustainable Development and Wildlife for the year ended 31 December 2015 was carried out in pursuance of provisions in Article 154 (1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 16 August 2016. The audit observations, comments and findings on the accounts and the 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.

**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 and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliations Statements that are free from material misstatements whether due to fraud or error.

**2. Accounts**

**2.1 Appropriation Account**

The total net provision made for the Ministry amounted to Rs. 117.63 million out of which a sum of Rs. 103.30 million had been utilized as at the end of the year under review. Accordingly, the provision of Rs. 14.33 million or 12.18 per cent of the total net provisions had been saved. Particulars are given below.

<b>Expenditure</b>	<b>As at 31 December 2015</b>			<b>Savings as a Percentage of Net Provision</b>
	<b>Net Provision</b>	<b>Utilization</b>	<b>Savings</b>	
	<b>Rs.Millions</b>	<b>Rs.Millions</b>	<b>Rs.Millions</b>	
Recurrent	100.70	91.15	9.55	9.48
Capital	16.93	12.15	4.78	28.23
<b>Total</b>	<b>117.63</b>	<b>103.30</b>	<b>14.33</b>	<b>12.18</b>

## 2.2 Advance Account

### 2.2.1 Advances to Public Officers Account

#### Limits Authorised by Parliament

Limits authorised by Parliament in respect of Advances to Public Officers Account under the Item No.16101 relating to the Ministry and actual values are as follows.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
1.89	1.37	0.45	2.10	25.00	12.88

## 2.3 Imprest Account

The balance of the Imprest Account No. 7002/0000/00/0418/0015/000 of the Ministry as at 31 December 2015 amounted to Rs. 11 million.

## 2.4 General Deposit Accounts

The balances of the 03 Deposit Accounts under the Ministry as at 31 December 2015 totalled Rs.29.04 million. Particulars are as follows.

Deposit Account Number	Balance as at 31 December 2015
	Rs.Millions
6000/0000/00/0013/0104/000	28.87
6000/0000/00/0016/0097/000	0.13
6000/0000/00/0018/0100/000	0.04
<b>Total</b>	<b>29.04</b>

## 2.5 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Ministry of Sustainable Development and Wildlife 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 significant audit observations included in the Management Audit Report appear in Paragraph 3.

### 3. Material and Significant Audit Observations

-----

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

-----

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

	<b>Type of Register</b>	<b>Relevant Regulation</b>	<b>Observation</b>
	-----	-----	-----
(i)	Register of Fixed Assets for Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002.	Not Maintained
(ii)	Security Register	Financial Regulation 891 (1)	Not Maintained
(iii)	Register for Electrical Equipment	Financial Regulation 454(2)	Not Maintained
(iv)	Register of Liabilities	Financial Regulation 214	Not Maintained
(v)	Register for Counterfoil books	Financial Regulation 341	Not Maintained
(vi)	Register of Listing of Vehicles	Financial Regulation 1647(e)	Not Maintained
(vii)	Fixed Assets Register	Treasury Circular No. 842 dated 1978 December 19.	Not Updated
(viii)	Vehicle Log Book	Financial Regulation 1645(a)	Not Updated

#### 3.2 Appropriation Account

-----

Following observations are made.

- (a) The entire net provision totalling to Rs.847,305 made for 03 Objects during the year under review had been saved without utilizing them.

- (b) Excess provision had been made for 17 Objects and the savings after utilizing of those provisions were between 11 per cent to 98 per cent of net provisions made for those Objects.

### 3.3 Imprest Account

-----

The Sub-Imprest balance of the Ministry of Agrarian Services and Wildlife had been Rs. 29,000 and was not settled by the Ministry as at 30 April 2016.

### 3.4 General Deposit Account

-----

With regard to lapsed deposits of Rs. 29 million, a list and an age analysis had not been prepared in terms of the Financial Regulation 570 as at 31 December 2015.

### 3.5 Reconciliation Statement of the Advances to Public Officers Account

-----

Following observations are made during the course of audit test checks carried out in respect of the Reconciliation Statement as at 31 December 2015 relating to the Public Officers Advance Account under the Item No.16101.

- (a) According to the Reconciliation Statement of the Item No. 16101 relating to the Public Officers Advance Account, a total of Rs. 4,091,833 had been outstanding as at 31 December. The outstanding balances were existing from a period ranging 06 months to 12 months and the recovery of the outstanding had been at a weak level.
- (b) Even though a loan balance in the CC 10 register amounted to Rs.125,965, it had not been included to the individual loan balance analysis.

### 3.6 Assets Management

-----

Following observations were revealed at the sample audit test check carried out with regard to assets of the Ministry.

#### (a) Idle and Under-utilized Assets

-----

It was observed in audit test check that certain assets were idle or under-utilized and those were categorized as follows.

Category of Assets	Number of Units	Amount	Idle or Underutilized Period
-----	-----	-----	-----
		<b>Rs.</b>	
(i) Office Equipment	62	Not identified.	Not identified.
(ii) Computer and Accessories	103	Not identified.	Not identified.

**(b) Irregular use of Assets Belonging to other Institutions**  
-----

It was observed during the course of audit test check that the Ministry had been utilized certain assets belonging to other institutions without proper approval. Details are given below.

<b>Category of Assets</b>	<b>Assets Owned to the Institution</b>	<b>Number, Units or Quantity</b>
-----	-----	-----
(i) Motor Vehicles	Ministry of Wildlife Resources Conservation	05
	Ministry of Botanical Gardens and Public Recreation	06
	Ministry of Economic Development	04
	Ministry of Parliamentary Affairs	01
	Ministry of Public Management Reforms	01
	Ministry of Agrarian Services and Wildlife	03
	Ministry of Constitutional Affairs	02
	Department of Wildlife	01
	Ministry of Environment	01
(ii) Office Equipment	Road Development Authority	01
(iii) Computer and Accessories	Road Development Authority	02

**(c) Irregular use of Assets not Vested**  
-----

Thirteen vehicles which belong to Government Institutions was being used by the Ministry even by 31 December 2015 and a sum of Rs.415,807 had been spent in respect of those.

**(d) Unsettled Liabilities**  
-----

Following observations are made.

- (i) The unsettled liabilities of the Ministry as at 31 December 2015, less than 01 year amounted to Rs.466,343.
- (ii) The utilisation of provision by the Ministry in respect of 05 Objects committed by exceeding the savings amounted to Rs. 120,349.

### 3.7 Non-compliances

-----

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

-----

Non-compliance with the provisions of laws, rules and regulations observed at the sample audit test checks are analysed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Non-compliance</b>
-----	-----
<b>Financial Regulations of the Democratic Socialist Republic of Sri Lanka</b>	
-----	
(i) Financial Regulation 104	The final report or the preliminary investigation report had not been submitted to audit even by 13 June 2016 in respect of an accident occurred with in the month of January 2015.
(ii) Financial Regulation 1642	The Ministry had not been taken actions to obtain police reports in respect of the vehicle accidents.

### 3.8 Irregular Transactions

-----

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

#### (a) Unauthorized Transactions

-----

Following observations are given below.

- (i) Even though the Ministry had spent a sum of Rs.228,658 for obtaining services for office cleaning during the year under review, the Ministry had not entered into a written agreement with the relevant company.
- (ii) Even though a legal agreement for carrying out activities of the offices of the Ministry at the 9<sup>th</sup> floor of the Sethsiripaya Building Complex, had not been entered into a sum of Rs.7,934,032 had been paid as rent for the 2 months in the year 2015 to the Urban Development Authority.

### 3.9 Human Resource Management

#### Approved and the Actual Cadre

Cadre Position as at 31 December 2015 is given below.

<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
(i) Senior Level	18	13	05
(ii) Tertiary Level	03	02	01
(iii) Secondary Level	46	33	13
(iv) Primary Level	27	24	03
(v) Other ( Casual/ Temporary/ Contract Basis)	03	03	-
Total	97	75	22