

Report of the Auditor General on Head 182 – Ministry of Foreign Employment – Year 2015

The audit of the Appropriation Account, and the Reconciliation Statement including the financial records, reconciliation statements, books, registers and other records of the Head 182 – Ministry of Foreign Employment for the year ended 31 December 2015 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 to the Ministry on 04 July 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 limitation 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 Accounts 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 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.1,145.54 million and out of that, a sum of Rs.963.31 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision made for the Ministry amounted to Rs.182.23 million or 15.91 per cent of the net provision. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of the Net Provision
	Net Provision	Utilisation	Savings	
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	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	612.49	538.25	74.24	12.12
Capital	533.05	425.06	107.99	20.26
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Total	1,145.54	963.31	182.23	15.91
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2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorised by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No. 18201 of the Ministry and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Level	Actual	Minimum Level	Actual	Maximum Level	Actual
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Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
25.61	23.75	7.00	10.57	60.00	23.50

2.3 Imprest Account

The balances of the Imprest Account of the Ministry as at 31 December 2015 totalled Rs.18,925.

2.4 General Deposit Account

The balance of the Deposit Account of the Ministry as at 31 December 2015 amounted to Rs.18,375.

2.5 Audit Observation

The Appropriation Account and the Reconciliation Statement of Ministry of Foreign Employment for the year ended 31 December 2015 have 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 out of the Audit Observations appearing in that Management Audit Report appear in paragraph 3.

3. Material and Significant Observations

3.1 Appropriation Account

3.1.1 Budgetary Variance

The following observations are made.

- (a) The total net provisions amounting to Rs.4.04 million made for 6 Objects had been saved.
- (b) Excess provisions had been made for 9 Objects and as such the savings, after the utilization, ranged from 50 per cent to 98 per cent of the net provision.

3.2 Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account Item No. 18201 as at 31 December 2015, the loan balances that remained outstanding as at 31 December 2015 totalled Rs.585,808. The Ministry had not taken action for the recovery of 06 loan balances

totalling Rs.416,240 existing over periods of 01 to 02 years and loan balances amounting to Rs.57,140 existing over periods exceeding 04 years.

3.3 Assets Management

The following deficiencies were observed during the course of an audit test check of the assets of the Ministry.

(a) Idle Assets

The Department of Public Finance had, by letter dated 20 November 2012, approved the disposal of a motor vehicle of the Ministry which was valued for Rs.2,800,000 by letter dated 05 October 2012 of the Department of Valuation. Accordingly, that motor vehicle had been auctioned on 29 October 2012. The following deficiencies were observed at an audit examination carried out in that connection.

- (i) As the officers of the Ministry had failed to produce the Registration Certificate of the motor vehicle to the buyer of the motor vehicle for Rs.1,274,900 at the time of purchase, the money collected had been refunded to the buyer.
- (ii) The sale of above motor vehicle valued at Rs.2,800,000 in the year 2012 had not been done promptly and as such the assessed value had been reduced to Rs.400,000 by 01 October 2014. The Ministry had not taken any action whatsoever in connection with that motor vehicle even by June 2015.

(b) Conduct of Annual Board of Survey

Action in terms of the Financial Regulations 103, 104, 107, 109 and 110 had not been taken in connection with the shortage of Dell Lap Top Computers revealed at the Board of Survey for the year under review and the insurance indemnity of Rs.86,748 received in connection with an accident to a motor vehicle of the Ministry.

3.4 Human Resources Management

Approved Cadre and Actual Cadre

The position of the Cadre as at 31 December 2015 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	10	10	-
(ii) Tertiary Level	02	01	01
(iii) Secondary Level	1,214	1,045	169
(iv) Primary Level	29	23	06
Total	1,255	1,079	176