

Report of the Auditor General on Head 212 –Department of Examinations - Year 2015

The audit of the Appropriation Account, Revenue Accounts and the Reconciliation statements including the financial records, books, registers and other records of the Head 212-Department of Examinations 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 was issued to the Commissioner General of the Department on 12 May 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 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 Account, Revenue 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 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 Department amounted to Rs 3,196.15 million and out of that Rs.3,021.15 million had been utilized by the end of the year under review. Accordingly the savings out of the net provision made for the Department amounted to Rs.175.00 million and represented 5.48 per cent of the net provision. Details are given below.

Expenditure	As at 31 December 2015			Savings as a percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	3,030.40	2,979.53	50.87	1.68
Capital	165.75	41.62	124.13	74.89
Total	3,196.15	3,021.15	175.00	5.48

2.2 Revenue Account

Estimated and Actual Revenue

The Department had prepared Revenue estimate totalling Rs.230 million in respect of one Revenue Code for the year 2015 and revenue totalling Rs.240.9 million had been collected during the year under review. It represented 104.74 per cent of the estimated revenue. Details appear below.

Revenue Code	As at 31 December 2015			Excess as a Percentage of the Estimate
	Estimated Revenue	Actual Revenue	Excess	
	Rs. Million	Rs. Million	Rs. Million	
20.03.02.13	230	240.9	10.9	4.74

2.3 Advance Account

2.3.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account No.21201 of the Department and the actual values are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
20.52	12.99	15.00	18.63	100.00	63.94

2.4 General Deposit Accounts

The balances of the 03 General Deposit Accounts of the Department as at 31 December 2015 totalled Rs.1.63 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
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	Rs.Million
6000/0000/00/0002/0105/000	0.35
6000/0000/00/0016/0053/000	1.12
6000/0000/00/0018/0115/000	0.16

Total	1.63
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2.5 Audit Observation

The Appropriation Account ,Revenue Account and the Reconciliation Statements of the Department of Examinations for the year ended 31 December 2015, had been prepared satisfactorily 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 included in the Management Audit Reports appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Advances to Public Officers Account

The following deficiencies were observed at the audit test check carried out in respect of the Reconciliation Statement on Advances to Public Officers Account Item No. 21201 as at 31 December 2015.

- (a) According to the Reconciliation Statement presented to audit ,the balances that remained outstanding as at 31 December 2015 totalled Rs. 645,024 and those balances remained over periods ranging from 1 year to 5 years.
- (b) The loan balances over a period of 3 years amounting to Rs.443,320 recoverable from an officer who was interdicted ,the loan balance over a period of 20 years amounting to Rs.127,271 recoverable from 03 officers who left the service had been outstanding. However, the Department had failed to recover those loan balances even by the end of the year under review.

3.2 Non-compliances

Instances of non-compliances with laws, rules and regulations observed during the course of audit

References to Laws, Rules and Regulations	Value	Non-compliance
<u>Financial Regulations of the Democratic Socialist Republic of Sri Lanka</u>		
(a) Financial Regulation 94(I)	24,657,790	Liabilities amounting to Rs.24,657,790 had been committed exceeding the balance amounting to Rs.4,217,457 after utilizing of provisions made for 04 objects of expenditure .
(b) Financial Regulation 396(d)	936,544	Action in terms of Financial Regulations had not been taken in respect of the cheques valued at Rs.936,544 issued but expired.

test checks are analyzed below.

3.3 Management Weaknesses

Envelopes valued at Rs.19,652,500 had been purchased in the year under review for the Department. Even though fines should be charged from the supplier for the supply of the order being delayed after due date by the supplier in terms of the Paragraph (iii) of the 18 Condition of the Procurement Agreement entered into with the supplier and the Department .

3.4 Human Resources Management

Approved Cadre and Actual Cadre

The cadre position as at 31 December 2015 is as follows.

<u>Category of Employee</u>	<u>Approved Cadre</u>	<u>Actual Cadre</u>	<u>No.of Vacancies</u>	<u>No.of Excess Cadre</u>
(i) Senior Level	83	61	22	-
(ii) Tertiary Level	18	05	13	-
(iii) Secondary Level	417	335	82	-
(iv) Primary Level	164	177	-	13
(v)Other (Casual/Temporary/Contract basis)	-	14	-	14
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Total	<u>682</u>	<u>592</u>	<u>117</u>	<u>27</u>