

Report of the Auditor General on Head 226 - Department of Immigration and Emigration – Year 2015

The audit of the Appropriation Account, Revenue Account and the Reconciliation Statements including the financial reports, books, registers and other records of the Head 226-Department of Immigration and Emigration 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 Controller General of the Department on 18 November 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 and the Accounting Officer for the Accounts and the 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 Reconciliation Statements in accordance with the provisions in Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and the 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. 1,807.28 million and out of that a sum of Rs. 1,372.28 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Department amounted to Rs.435.00 million or 24.07 per cent of the total net provision. Details appear below.

Expenditure	As at 31 December 2015			
	Net Provision	Utilization	Savings	Savings as a Percentage of Net Provision
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	989.38	966.08	23.30	2.36
Capital	817.90	406.20	411.70	50.34
Total	1,807.28	1,372.28	435.00	24.07

2.2 Revenue Accounts

Estimated and Actual Revenue

The Department had prepared Revenue Estimates totalling Rs. 8,107.25 million in respect of Revenue Code 20.03.02.07 for the year 2015 and the Revenue totalling Rs. 10,107.77 million had been collected. Accordingly, Rs. 2000.52 or 24.68 per cent of the estimated Revenue had been collected.

2.3 Advance Accounts

2.3.1 Advances to Public Officers Accounts

Limits Authorized by Parliament

The limits authorized by the Parliament for the Advances to Public Officers Account of Item number 22601 of the Department and the actual amounts are given below.

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
33.52	21.94	27.52	29.76	154.00	119.01

2.4 Imprest Account

The balance of Imprest account No. 7002/0000/00/0032/0015/000 of the Department as at 31 December 2015 amounted to Rs. 41.81 million.

2.5 General Deposit Account

The balances of 03 Deposit Accounts of the Department as at 31 December 2015 totalled Rs. 0.42 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
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	Rs. Millions
6000/0000/00/0001/0084/000	0.10
6000/0000/00/0002/0112/000	0.11
6000/0000/00/0016/0059/000	0.21

	0.42
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2.6 Audit Observation

The Appropriation Account, the Revenue Accounts and the Reconciliation Statements for the year ended 31 December 2015 of the Department of Pension has been prepared satisfactorily subject to the observations appearing in the Management Audit Report referred to in paragraph 1.1. The material and significant observations out of the observations appeared 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 audit test checks that the Department had not been maintained the following registers, in the proper and updated manner

Type of Register	Relevant Regulation
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(i) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/2 dated 28 November 2002
(ii) Register of Losses	Financial Regulation 110
(iii) Register of Liabilities	Financial Regulation 214
(iv) Register on Electrical Equipment	Financial Regulation 454 (2)
(v) Register of Stocks	Financial Regulation 751

3.2 Appropriation Account

3.2.1 Budgetary Variance

Excess provisions had been made for 13 Objects and as such the savings thereunder after utilization of the provisions ranged between 11 per cent to 99 per cent of the net provisions of the respective Objects.

3.3 General Deposits Account

Action had not been taken in terms of the Financial Regulation 571 with regard to the deposits totalling Rs.109,500 older than 02 years.

3.7 Revenue Accounts

The duties relating to the preparation of Revenue Estimates, collection of Revenue, Accounting and the presentation of Accounts relating to Revenue Code 20.03.02.07 had been assigned to the Head of Department as the Revenue Accounting Officer. The following observations are made during the course of the test audit of those Revenue Codes.

- (a) The Revenue of the Citizen Division according to the cash book totalled Rs. 849.81 million and it was Rs. 849.99 according to the computer system of the Department, hence a difference of Rs. 181,430 had been appeared.
- (b) A difference of Rs.206,814 existed between revenue cash book and the income as per the computer system of the Department relating to income from the foreigners who stayed without visas.
- (c) Excess money of Rs. 400,000 which had been obtained from a person while granting dual citizenship had been accounted as the income for the year under review.

3.5 Reconciliation Statements of the Advances to Public Officers Account

Following deficiencies were observed during the course of test checks of the Reconciliation Statement as at 31 December 2015 relating to the Advances to Public Officers Account Item No. 22601.

- (a) According to the Reconciliation Statement presented to audit, the balances that remained outstanding as at that date over the periods ranging from 01 year to 11 years totalled Rs. 545,368 and the Department had failed to recover the outstanding balances.
- (b) The Department had been granted loans amounting to Rs. 836,099 without following procedures to be followed while granting loans.

3.6 Non – compliances

Non – compliance with Laws, Rules and Regulation etc.

Instances of non-compliance with the provisions of laws, rules and regulations observed during 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 94 (1)	25,748,085	Liabilities amounting to Rs. 25.75 million exceeding the provision made for 13 Objects had been committed.
(b) Government Procurement Guidelines		
(i) Guideline 4.2.3	-	Even though the Technical Evaluation Committee should give their recommendations within 2 weeks after opening of bids, the Technical Evaluation Committee had been given their recommendations with a delay of 24 days after opening the bid for purchasing a machine for printing visa stickers.
(ii) Guideline 6.2.2	-	Even though at least 7 days should be allowed to submit bids for the computer networking of the ground and first floor of the Department, it had been granted only 1 day for the same.
(iii) Guideline 8.9.1 (b)	8,562,457	Even though it should be entered into a proper contract agreement when the contract value exceeding Rs. 500,000, Department had not been entered in to agreements for the contract of renovation and networking the ground floor and the first floor.

3.7 Performance

According to the Annual Budget and the Action Plan 2015, the observations on the progress of the Department are given below.

- (a) Procurement works relating to the Minuwangoda Detention Centre which was included in the Annual Procurement Plan had not been commenced even up to 31 December 2015.
- (b) One thousand eight hundred and twenty seven (1,827) photo studios had been sent applications to the Department for registration up to 31 December 2015 for the project of entering bio-data for the process of issuing passports. Out of that 1,690 photo studios had been paid and confirmed their registration. Out of 1,154 qualified studios 988 studios had been completed their observations and connected with the Department through online method. Accordingly, 166 studios which had been ready for the observations it had not been completed even up to 31 December 2015. Nine hundred and eighty eight or 58 per cent from the registered numbers had been involved in the supplying of services. 42 per cent had not been connected through online method.

3.8 Loss and Damages

Four thousand eight hundred and eighteen (4,818) passports had been cancelled from the year 2013 to 2015 due to machine errors, printing errors, laminating errors and other reasons and the cost for those approximately Rs. 2.4 million.

3.9 Uneconomic Transactions

Department had been spent a sum of Rs. 3,927,479 for acquisition the land of Minuwangoda, Galagedara detention centre and the relevant construction works on it. However, Department had been abandoned the construction works.

3.10 Unresolved Audit Paragraphs

Reference to the audit paragraphs of weaknesses relating to the Department included the Reports of the Auditor General on which follow-up action had not been finalized is given below.

Reference to Report of Auditor General	Subject under Reference
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<u>Year</u>	<u>Paragraph No.</u>	
2010	6.5 (a)	According to the computer reports bearing number 7.6.7 B of the Department, 13,192 foreigners had stayed in the country without visa during the period from 01 January 2013 to 31 December 2015. From the investigation carried out for roundup and arrest those foreigners, only 255 people had been extradited. It was 2 per cent out of the total foreigners who were staying without visas.
2011	6.7	

3.11 Human Resources Management

(a) **Approved Cadre and Actual Cadre**

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior level	60	56	04
(ii) Tertiary level	398	357	41
(iii) Secondary level	428	373	55
(iv) Primary level	134	132	02
(v) Other (Causal/ Temporary/ Contract basis)	10	05	05
Total	1,030	923	107