

**Report of the Auditor General on Head 233 –Department of Government Analyst
Year 2015**

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 233 – Department of Government Analyst 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 Government Analyst on 29 June 2016. The audit observations, comments and findings on the accounts and 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 the Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are 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 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.515.30 million and out of that Rs.372.68 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provisions of the Department amounted to Rs.142.62 million or 27.68 per cent. Details are given below.

Expenditure	<u>As at 31 December 2015</u>			Savings as a Percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	224.80	210.06	14.74	6.56
Capital	290.50	162.62	127.98	44.02
Total	515.30	372.68	142.62	27.68

2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament and actual values for the Advances to Public Officers Account, Item No.23301 of the Department and the actual values 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
7.37	5.54	4.37	5.99	30.00	19.08

2.3 General Deposit Accounts

The balances of 02 Deposit Accounts of the Department as at 31 December 2015 totalled Rs.2.15 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
	Rs. Millions
6000/0000/00/0016/0003/000	1.59
6000/0000/00/0018/0004/000	0.56
Total	2.15

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Department of Government Analyst 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 important audit observations out of the 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 Department had not maintained the following registers in an updated manner.

	Type of Register -----	Relevant Regulation -----	Observation -----
(a)	Records of Liabilities	Financial Regulation 214	Not maintained
(b)	Inventory of Electrical Fittings	Financial Regulation 454(2)	Not maintained
(c)	Register of Security	Financial Regulation 891(1)	Not maintained
(d)	Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978	Not updated
(e)	Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002	Not updated

3.2 Accountability and Good Governance

Internal Audit

An Internal Audit Unit had not been established in the Department in terms of Financial Regulation 133. Even though the Internal Audit Unit of the Ministry had carried out the relevant audit, it was observed that an adequate internal audit had not been carried out

3.3 Non-compliance

Non-compliance with Laws, Rules and Regulations

Instances of non-compliances with the provisions in laws, rules and regulations observed during the course of in audit test checks are analyzed below.

Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Non-compliance

- | | |
|----------------------------------|---|
| (a) Financial Regulation 104 (1) | An inquiry had not been carried out in respect of accidents caused to 06 motor vehicles of the Department. |
| (b) Financial Regulation 756 | The Annual Board of Survey had not been carried out in respect of goods in the nature of consumables remained in the stores. |
| (c) Financial Regulation 760 | Action in terms of Financial Regulations had not been taken in respect of shortages of 08 items of goods shown by the Report of the Annual Board of Survey, 2014. |

3.4 Implementation of Projects under Domestic Financing

Projects commenced after Delays

A sum of Rs.90 million had been received as KOICA foreign aid for the construction of Numbered Multimedia Crime Investigation Centre. Even though the project should be commenced in June 2015, the project had been commenced after a delay of 06 months.

3.5 Performance

Testing Samples and Presentation of Reports

There had been 4,291 samples for testing and issuance of reports to the Department at the beginning of the year 2015. Another 26,443 samples had been received in the year under review. Accordingly, the Department should have tested 30,734 samples and issued the reports. The Department had tested 26,779 samples and issued the reports in the year under review. As such, the number of samples not tested by the end of the year under review stood at 3,955. It was observed at the audit test check in respect of samples not tested that 272 out of those samples or 7 per cent is being brought forward without testing for over a period of 10 years. An age analysis of those samples which are not tested and brought forward is given below.

Period of Samples retained in hand without Testing	Number of Samples	As a Percentage of the Samples retained in hand
Less than 01 year	1,529	39
More than 01 year and less than 03 years	1,136	28
More than 03 years and less than 05 years	389	10
More than 05 years and less than 10 years	629	16
More than 10 years	272	07
Total	3,955	100

3.6 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	90	74	16
(ii)	Tertiary Level	10	02	08
(iii)	Secondary Level	119	86	33
(iv)	Primary Level	78	67	11
	Total	297	229	68

The following observations are made.

- Out of 68 vacancies existing in the Department, officers had been appointed for 06 vacancies on acting basis and allowances amounting to Rs.665,485 had been paid therefor in the year under review.
- Even though 80 officers out of the entire cadre of the Department comprising 22 for the Serum Division, 29 for the Drugs Division and 29 for the Toxic Division had been attached, the progress on testing samples received to those divisions and issuance of those reports had been at a level of 78 per cent.