

**Report of the Auditor General on Head 243 – Department of Development Finance
– Year 2015**

The audit of the Appropriation Account and the Reconciliation statements including the financial records, books, registers and other records of the Head 243 - Department of Development Finance 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 Director General on 03 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 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.7,039.44 million and out of that Rs.6,840.25 million had been utilized by the end of the year under review. Accordingly, the savings out of total net provision of the Department amounted to Rs.199.19 million or 2.83 per cent. Details appear 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	3,608.65	3,586.08	22.57	0.63
Capital	3,430.79	3,254.17	176.62	5.15
Total	7,039.44	6,840.25	199.19	2.83

2.2 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No.24301 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
2.66	1.02	0.66	1.15	9.00	5.70

2.3 Audit Observation

The appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of Development Finance 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 out of the observations included in the Management Audit Report appear in paragraphs 3.

3. Material and Significant Audit Observations

3.1 Performance

Following observations are given on the progress of the Department in accordance with the 2015 Annual Action Plan.

- (a) Action had not been taken to implement the “Liya Isura” Women Entrepreneurs 0% Interest Scheme included in the Action Plan. The Director General had informed to the audit that after the new Government came in to the power the “Liya Isura” 0% Interest Scheme had been suspended as it was not included to the new Action Plan.
- (b) Even though it is to facilitate to commence the Pension Scheme for self-employers by the Department and review the progress were included in the action plan, nothing had been done with relating to the same.

3.2 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	11	10	01
(ii) Secondary Level	10	09	01
(iii) Primary Level	10	10	-
Total	31	29	02