

Report of the Auditor General on Head 253 Department of Pension – Year 2015

The audit of the Appropriation Account, Revenue Accounts and Reconciliation Statements including the financial reports, books, registers and other records of the Head 253-Department of Pension for the year ended 31 December 2015 were audited 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 of the Department on 29 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 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. 187,619.35 million and out of that a sum of Rs. 180,286.55 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.7,332.80 million or 3.91 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	187,567.48	180,234.87	7,332.61	3.91
Capital	51.87	51.68	0.19	0.37
Total	187,619.35	180,286.55	7,332.80	3.91

2.2 Revenue Accounts

Estimated and Actual Revenue

The Department had prepared Revenue Estimates totalling Rs. 15,800 million in respect of 02 Revenue Codes for the year 2015 and the Revenue totalling Rs. 15,213.30 million had been collected. Accordingly, 96.29 per cent of the estimated Revenue had been collected. Details appear below.

Revenue Code	As at 31 December 2014			Excess as a Percentage of Estimate
	Estimated Revenue	Actual Revenue	Excess	
	Rs. Millions	Rs. Millions	Rs. Millions	
20.04.01.00	9,800.00	10,049.80	249.80	2.55
20.04.02.00	6,000.00	5,163.50	(836.50)	(13.94)
Total	15,800.00	15,213.30	(586.70)	3.71

2.3 Advance Accounts

Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by the Parliament for the Advances to Public Officers Account of Object number 25301 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
38.88	33.38	21.88	26.10	130.00	104.63

2.4 Imprest Account

The balance of Imprest account No. 7002/0000/00/0062/0015/000 of the Department as at 31 December 2015 amounted to Rs. 459.46 million.

2.5 General Deposit Accounts

The balances of 4 Deposit Accounts of the Department as at 31 December 2015 totalled Rs.6.86 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
	Rs. Millions
6000/0000/00/0015/0133/000	0.07
6000/0000/00/0001/0114/000	0.31
6000/0000/00/0013/0113/000	3.88
6000/0000/00/0016/0103/000	2.60

	6.86
	=====

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 have been prepared satisfactorily subject to the observations appearing in the Management Audit Report referred in paragraph 1. The material and sufficient 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 maintained the following registers.

Type of Register	Relevant Regulation
(i) Register of Fixed Assets	Treasury Circular No.842 dated 19 December 1978
(ii) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/2 dated 28 November 2002
(iii) Register on Electrical Equipment	Financial Regulation 454 (2)
(iv) Register of Liabilities	Financial Regulation 214
(v) Register of Guarantees	Financial Regulation 891 (1)

3.2 Lack of Evidence for Audit

The following observations are made.

- (a) A provisions of Rs.23,432.65 million had been granted to Armed Forces and the Police for the payment of salaries and allowances of the deceased and disabled veterans (Ranaviru) until their age of 55 years. Due to non-submission of evidence such as reports on payments and changes of number of beneficiaries and their Widows and Orphans Pension numbers, National Identity card Numbers, details of the dependants, relevant Divisional Secretariat had not been furnished to audit by the Department of Pension and it could not be satisfactorily vouched in audit.
- (b) A sum of Rs. 16,967.71million had been surcharged to the object code of Pension during the year under review. Details of those surcharges had not been furnished to the audit and as such those pension payments could not be satisfactorily vouched in audit.
- (c) Value and the physical amount of the Fixed Assets as at 01 January 2015 amounted to Rs. 218,94 million and 31 December 2015 amounted to Rs. 1,988.60 million as per the changes in equity report could not be examined due to non-furnishing of the Fixed Assets register.
- (d) Action had not been taken to maintain a Control Account for gratuity payment through bank loans. The accuracy of the loan balances totalling Rs. 19,417.78 million presented by the bank could not be confirmed satisfactorily.
- (e) An audit test check carried out relating to 762 files out of 2,773 pensioners, who were living in Canada, maintained in overseas pension record room of Centralized Department. It was revealed connection had not been maintained between pensioner and the pension file and pension files and data system of the Overseas Pension payment file thus pension payment of Rs. 1,841.77 million could not be vouched satisfactorily during the year under review due to lack of evidence.
- (f) Pension payment of Rs. 208.85 million had been stated as overpayment under the loss and damages in the Appropriation Account. The schedule prepared on the same payment was incomplete. Therefore the accuracy of those payments could not be confirmed.

3.3 Replies to Audit Queries

Replies to 03 audit queries issued to the Department during the year under review and 02 audit queries issued in previous year had not been furnished even by 31 March 2016. The quantifiable value of transactions relating to those audit queries amounted to Rs. 16,330 million.

3.4 Excess Expenditure

An excess expenditure of Rs. 3,786.86 million had been observed on the following two Objects due to utilization of provision in excess. Details are shown below.

Object	Net Provision	Utilization	Excess
-----	-----	-----	-----
	Rs. Millions	Rs. Millions	Rs. Millions
253-1-2-2-1502 (21)	35,200.00	38,964.54	3,764.54
253-1-2-3-1502	28.06	50.38	22.32
	-----	-----	-----
Total	35,228.06	39,014.92	3,786.86
	=====	=====	=====

3.5 Appropriation Account

3.5.1 Budgetary Variance

The following observations are made.

- (a) Excess provisions had been made for 07 Objects and as such the savings thereunder after utilization of the provisions ranged between 5.6 per cent to 22.37 per cent of the net provisions of the respective Objects.
- (b) Even though gratuity payment from 09 April 2019 had been made under bank loans, provision of Rs. 18,000 million had been made under the Object Code 253-1-2-1502 (II). Out of the net provision only a sum of Rs. 5,418 million or 30 per cent had been utilized during the year under review. The provision for gratuity payment of Rs. 12,582 million had been saved on that Object due to non-utilization of provision as obtaining a bank loan of Rs. 9,710.87 million.

3.5.2 Accounting

The following observations are made.

- (a) Pension gratuity for the pensioners had been paid under bank loans. A sum of Rs. 1,584.28 million had been paid as interests during the year under review. Those interest payments had been accounted under Object Code 1502 instead of Object Code 1601. As a result, loan interest expenditure had been understated by Rs. 1,584.28 million in the financial statements of the state accounts.
- (b) Action had not been taken to certify the accuracy of the data system through a pensioner's census.
- (c) A sum of Rs. 437.54 million had been paid for Ministry of Foreign Affairs for payment of pensions in the year 2015. According to the Treasury printouts it had been Rs. 413.76 million. Accordingly, the difference of Rs. 23.78 million had not been revealed.
- (d) Even though the gratuity amount, that paid to a pensioner and if he had deceased before recovery, was a loss for the Government, it was not revealed in the accounts.

3.6 Imprest Account

Following observations are made.

- (a) Even though imprest limit for the year under review had been calculated without considering the other income of Rs. 21,872 million, an excess imprest amount of Rs. 21,968.52 million had been requested exceeding the limit.
- (b) Ad-hoc sub imprests totalled to Rs. 230,000 issued in 13 instances had been settled without utilize for the purpose because of Ad-hoc imprests had not issued on an estimate of the relevant purpose.
- (c) An excess sum of Rs. 47.27 million had been issued by the Department of Pension to the Puttlam District Secretariat in January 2015 for payment of monthly pension. Therefore Rs. 47.27 million had been remained idled in the District Secretariat from January to December 2015.

3.7 Revenue Accounts

The duties relating to the preparation of Revenue Estimates, collection of Revenue, Accounting and the presentation of Accounts relating to 02 Revenue Codes 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) Revenue Code No.20:04:01:00 Social Security Contributions (Central Government)

The following observations are made in this connection

- (i) The estimated revenue for the year under review amounted to Rs.9,800 million for the Revenue Code. Revenue amounting to Rs.10,050 million had been collected by the end of the year under review. It had been 102.5 per cent of the Estimated Revenue.
- (ii) Even though a sum of Rs.12.94 million had been refunded from the revenue in the year under review, evidences had not been presented to audit to ensure the accuracy.
- (iii) A sum of Rs. 10,049.80 million had been received as Social Security Contribution from Central Government Institutions during the year under review. Variance of monthly receipts of the Social Security Contribution with previous months had been ranged between Rs. 88.68 million minus to Rs. 223.19 million plus value. Reasons for those variances had not been explained.
- (iv) Monthly Received Social Security Contribution for Central Government Revenue Account under the Department of Pension Head had been ranged from Rs. 5,476,189 to Rs. 46,793,765. According to the audit test check it was revealed Central Government Social Security Contribution receipts had been overstated by

Rs. 35.97 million and Provincial Council Social Security Contribution receipts understated by Rs. 35.97 million in the accounts.

- (v) Contribution money had not been paid for 36 Officers of Department of Railway from 2007 to 2013 as they were on no pay leave. Even though observations had been issued with schedules of Revenue Accounts for the years 2014 and 2015, follow up actions had not been take even up to 30 April 2016.

(b) Revenue Code No.20:04:02:00 – Social Security Contribution (Provincial Council)

The following observations are made.

(i) Collecting of Contributions

The following observations are made

- * A data system relating to Government officers who were registered under the Social Security system had not been maintained by the Department of Pension.
- * When repayment of Widow/Widower and Orphans Pension and contribution under the Social Security Contribution Scheme, a proper system had not been maintained by the Department of Pension to ensure whether the contribution had been received continuously.
- * About 630 cheques had been received monthly from various institutions for the Revenue Account. A register of classified revenue codes had not been maintained for internal check whether the contributions from various institutions had received on date in each month and to reveal if there any arrears. According to the Financial Regulations 128 (2) (g) and State Finance Policy and Economic Affairs circular No. 1/2015 dated 20 July 2015, the Department had not been maintained revenue collection reports in adequate and systematic manner.
- * Instances was observed that collecting contributions from Government Officers without issuing a registration number under the Social Security Contribution Scheme and also observed collecting contribution from retired officers without issuing a registration number. According to the audit test check in Pradeshiya Sabhas of Gampaha District, it was observed contribution had been collected for 280 employees in 04 Pradeshiya Sabhas without issuing widow and orphan numbers.
- * A programme had not established by any circulars regarding issuing numbers when restructuring, for issue numbers for the pensioners who were not registered under the widow and orphan contribution scheme.

(ii) Arrears Income

Following observations are made.

- * Accuracy of arrears income amounted to Rs. 285.98 million relating to 7 Provincial Councils could not be ensuring due to non-availability of a register for Contribution receipts. The total value reported by those institutions had been accounted as arrears income.
- * While preparing Revenue Accounts, arrears income relating to Western and Central Provinces had not been considered.
- * The receipts of money from the Provincial Councils to the Department as Social Security Contribution had been varied in every month. A sum of Rs. 5,163.76 million had been received as Social Security Contribution during the year under review. The monthly variance of those receipts ranged from minus Rs. 287.13 million to plus Rs. 138.41 million.
- * Thirty three cheques totalled to Rs. 3.90 million which received during the year under review as revenue had been returned to the relevant institutions without brought to account, due to date expired and alteration of the cheques, had been accounted as arrears revenue.

(iii) Returned Contribution

Following observations are made in this regard.

- * It should be obtained the approval from the Department of State Accounts, in terms of the Financial Regulation 118(2)(b) for repayment of the Social Security Contributions, the repayments of Social Security contributions from the revenue amounting to Rs.604,324 had been made without such approval.
- * Under the decentralization of contribution payments, a sum of Rs. 23.98 million had been repaid to 526 pensioners in the year 2015. According to the Financial Regulations 205, registers had not maintained in institutional level to prevent double payment.
- * No register whatsoever had been maintained in respect of the receipts of the contributions of the officers employed in Central Government and Provincial Councils who were released on secondment basis.

3.8 Reconciliation Statements of the Advances to Public Officers Account

The following deficiency was 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. 25301.

- (a) According to the Reconciliation Statement presented to audit, the balances that remained outstanding as at that date over periods ranging from 01 year to 24 years totalled Rs. 2,422,351 and the Ministry had failed to recover the outstanding balances.
- (b) A loan balance amounting to Rs. 4,796 outstanding more than 13 years had not been recovered up to the end of the under review.

3.9 Good Governance and Accountability

3.9.1 Annual Action Plan

Following observations are made.

- (a) Even though an annual action plan should be prepared, only a sub plan which should be included in the action plan had been prepared as action plan for the year under review.
- (b) Presented annual action plan had not been prepared based on the Annual Budget of priority and it had not prepared to identify the expected results clearly.
- (c) Even though payment of pension benefits are the main operational activity of the Department, annual action plan had not been prepared to review annually the performance of the payment results by transferring the liability of the process from submitting the application to the relevant section up to payment of the benefits under the pensioners benefit.

3.9.2 Internal Audit

Following observations are made

- (a) While paying pension benefits relevant to pensioners, the internal auditor had appointed as a member of tri person committee for approving payment of more than one million for such a pensioner and those transactions had been affected the independency of the internal auditor.
- (b) Even though audit fields which had included in the internal audit plan of the year under review should be implemented, Internal Audit Division had not paid attention on the same.

3.9.3 Audit and Management Committee

Following observations are made.

- (a) Even though the meetings of the Audit and Management Committee should be held at least 4 time that once in each quarter, only 2 meetings had been held during the year under review.
- (b) Audit queries issued by the Auditor General and Internal Auditor to the Department had not been discussed in the Audit and Management Committee meeting.

3.9.4 Annual Performance Report

According to the Public Finance Circular No. 402 dated 12 September 2002, Department should submit a performance report to the Parliament within 150 days after ending a financial year, it had not been submitted to Parliament even up to 09 August 2016.

3.10 Assets Management

The following deficiencies were observed during the course of audit test check conducted on Assets of the Department.

(a) Conduct of Annual Boards of Survey

In terms of the Public Finance Circular No. 02/2014 dated 17 October 2014, Annual Boards of Survey for the year 2015 should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2016, it was furnished to audit on 09 July 2016.

(b) Irregular use of Assets belonging to other Institutions

It was observed during the course of audit test checks that Pension Department had used one motor vehicle belonging to Ministry of Telecommunication and Information from January 2015 without formal approval.

(c) Unsettled Liabilities

Following observations are made.

- (i) The unsettled liabilities of the Department as at 31 December 2015 amounted to Rs.19,642.15 million.
- (ii) Loan instalments payable to State Bank under the gratuity loan instalment payable had been overstated by Rs. 1,071,351 in the statement of liabilities.

3.11 Non – compliances

(a) 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 ----- Rs.	Non – compliance -----
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka -----		
(i) Financial Regulation 41 (1)	32,760,325	Prior approval had not been taken from the Secretary to the Ministry when purchasing 150 nos of Desktop Computers, 300 nos of Laptops and 20 nos of Tablets.
(ii) Financial Regulations 103 and 104	-	Action had been taken to recover the excess payments only from the pensioner without taking disciplinary actions against the Officers who were responsible for the excess payment of Pension.
(iii) Financial Regulation 1646	-	Daily Running Charts and Monthly Performance Summaries had not been furnished to audit before 15 day of the month following.
(b) Public Administration Circular -----		
Circular No.41/90 dated 10 October 1990	-	Fuel consumption test for the vehicles of the Department had not been done in once a 6 months.
(c) Pension Circular -----		
Circular No. 1/2011 dated 07 April 2014	-	Consolidated Account had not been prepared when paying pension by centralized and decentralized methods.
(d) Government Procurement Guidelines -----		
Guideline 5.4.4 (i)	-	Even though it can be paid 20 per cent of the contract value of the purchasing a Generator and constructing a house can be issue as mobilization advance, it had been paid 50 per cent amounted to Rs. 1.67 million as advance.

3.12 Performance

Even though provision of Rs. 2.99 million had been made for purchase 31 Desktop computers and 05 Laptop computers according to the procurement plan of year 2014, without considering those limits a sum of Rs. 32.76 million had been spent for purchase 150 Desktop computers, 300 Laptops and 20 Tablets.

3.13 Deficiencies in Operation of Bank Accounts

Balances for Adjustments

According to the Bank Reconciliation Statement prepared by the Department for October 2015, action in terms of Financial Regulations 396(c) had not been taken on a cheque valued at Rs. 510,009 not presented for payment over a period exceeding 06 months.

3.14 Irregular Transactions

Certain transactions entered into by the Department were devoid of regularity. Several such instances observed are given below.

(a) Transactions without Authority

According to the Paragraph no. 2 and 25 of the Pension Article, 60 per cent of the pension gratuity recharged by instalments to the Government from those who preferred to get pension gratuity. However, 60 per cent had not been recharged from Judges of the Supreme Court and Appeal Court who preferred and got the pension gratuity. According to the audit test check a sum of Rs. 13.46 million had to recover as pension gratuity from 5 Judges.

(b) Deviation from Government Procurement Procedure

Deviate from Government Procurement procedure goods valued to Rs. 15.42 million had been purchased in 07 instances using the price comparative method in 2014 and 2015.

3.15 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**

<u>Year</u>	<u>Paragraph No.</u>	
2013	2.7 (a)	A sum of Rs. 182.22 million had been spent other than salaries and wages and training expenses for the e-pension project, the project had been terminate completely from 01 November 2013.

3.16 Management weaknesses

Following weaknesses are observed during an audit test check.

(a) Pension Gratuity Payment through Bank System

Seventeen thousand twenty nine pension gratuity payable applications relating to 2013 and 2014 had been received to the Department up to 09 April 2014. Without obtaining proper information about those applications, gratuity had been credited directly to the pensioners' bank accounts using the bank system. Among those 17,029 applications, without considering the deductions receivable from the Provincial Council Officers to the Government, total gratuity had been paid. Following observations are made in this connection.

- (i) Over payment of Pension Gratuity of Rs. 9.96 million had been made for 182 pensioners.
- (ii) Although the Gratuity payment had been made through Bank Loans, it had been paid on interest of 12 per cent for the additional Gratuity payments by the Government.
- (iii) Immediate action had not been taken to reveal the total overpayment in terms of Paragraph 4.2.3 of Chapter XXIV of the Establishment Code.
- (iv) Even though a provision of Rs. 18,000 million had been made for payment of Gratuity in 2015, without utilizing the same, a sum of Rs. 20,402.44 million had been obtained as loans from 3 state banks for the payment of Gratuity from 09 April 2014 to 31 December 2015. A sum of Rs. 2,209.06 million had been paid as interest for that loan. Total loan balance as at 31 December 2015 totalled to Rs. 19,289.29 million.
- (v) A control account had not been maintained for the payment of first pension and gratuity payment under loans.
- (vi) Action had not been taken to recover deduction receivable to the Government from Central Government Officers on the time of gratuity payment.

(b) Over Payment of Cost of Living Allowance for the Deceased and Disabled Veterans (Ranaviru)

The following observations are made in this connection.

- (i) Cost of living allowance had been paid twice as Salary and allowances with cost of living allowance for the deceased and disabled veterans up to age 55 and in addition to that, cost of living with pension or widow and orphan pension. According to the audit test check relating to Navy and Air Force Officers, cost of living allowance amounted to Rs. 22.05 million had been over paid to 337 deceased and disabled veterans from the year 2008 to September 2015.
- (ii) Although the Pension data system had been shown since the year 2008, action had not been taken to reveal all the overpayments before that by checking the pension files.
- (iii) Action had not been taken to suspend the over payment of cost of living paying with the pension to the officers of Armed Forces and Police contrary to the Public Administration Circular No. 06/2008 dated 06 February 2008.
- (iv) Even though Internal Audit unit had revealed the over payment of cost of living in the audit of pension payment in Divisional Secretariats before 10 years, action had not been taken to correct it.

(c) Over Payment of Pension

It was observed that over payment of pensions, double payments, fraudulent payments had been done while paying pension through Divisional Secretariats since 2014. Under restructuring the pension payments with the objective of prevent above faults, Department had been started to pay pension arrears from June 2014, payment of fist pension from October 2014, starting the payment of pension through the centralized data system from January 2015 and widow and orphan pension payment from September 2015. Following observations are made in this connection.

- (i) A sum of Rs. 5.55 million of Pension had paid twice for 31 pensioners and Rs. 19.19 million of Arrears pension had paid twice for 134 pensioners had been paid in excess from January 2015 to end of December 2015
- (ii) Inter allowances and cost of living allowances which are paying with the basic salary had been over paid by Rs. 105.67 million in 2015/2016.
- (iii) None establishing a strong internal control system for centralized pension payment through restructuring had been caused for overpayment of pensions. Such identified reasons and risks situations are shown below.
 - A feasibility study had not been done for the restructuring process of pension payment.

- A special programme had not been established for minimize the loss to the Government through identifying all the over payments and frauds by the restructuring.
- Restructuring had been initialized only from pension circulars without planning the centralized pension payment.
- Even though first payment of Pension had been made before issuing the basic legal document called pension card, there wasn't a methodology for ensure the pension application due to non-availability of updated data system with regard to Government Officers.
- Even though there were lot of weaknesses in pensioners database maintained by Divisional Secretariats, the centralized database system had been created without considering those weaknesses, also those weaknesses had been appeared in the new centralized database system, too.
- Action had not been taken to ensure the accuracy of the monthly pension payment by ensure the accuracy of the centralized database system connection between pensioner and pension file and pension file and centralized data system though a pension census.
- Even though data in new pension data system included from the year 2008, there were some periods without data.
- Data relating to pension payment had not been validated by the staff officer after entered in to the system and maximum payment level of validating in the data system for a staff officer had not been determined.
- By end of December 2015, Identity Card numbers of 90,000 pensioners had not been included in to the centralized data base system.
- When carried out an audit test check for civil pension numbers next to batch 1,100,000 which was started after issuing pension numbers by Department of pension, 678 instances had revealed that same pension numbers issued to two pensioners. It was observed an instance of issuing the same pension number for three pensioners.
- A control system for data system could not be established due to deficiency of data.
- A control account had not been used to centralized and decentralized pension payment.

- Following deficiencies had been arisen due to non-obtaining a proper computer consultancy services.
 - A sustainable methodology had not been followed by the Department to get computer programming consultancy services for continuous supply of pension benefits. Accordingly that service had obtained from a government retired person.
 - Even though a service agreement had been signed on 05 January 2012 between the consultant and the Department for obtain the above service, validity period of that agreement had not mentioned.
 - When pension payments are based on Information Technology consultancy service given by a single person and if the service interrupted by an unavoidable reason it would be interrupt the services supply by the Department.
 - Pension payment process had been occurred without an Internal Check because the Information technology consultant is engaged to the activities of software organizing and pension payment data system.

(c) Retained Contribution pension and Interest in Central Bank

 Action had not been taken to obtain retained amount of Rs. 1,127.13 million as contribution pension and its interest relating to the years from 2002 to 2005 even up to 30 September 2016.

3.17 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	Excess
(i) Senior level	24	20	04	-
(ii) Tertiary level	11	-	11	-
(iii) Secondary level	1,076	901	175	-
(iv) Primary level	75	52	23	-
(v) Causal	-	11	-	11
Total	1,186	984	213	11

The following observation is made.

- (i) Staff requirement according to the changed organizational structure under the restructured pension payment since 2014 and 2015, had not been identified properly.

(b) Human Resources obtained from other parties

Information relating to the human resources obtained from other parties by the Department is given below.

Category of Employee	Number	Other Party	period
Women Police Sergeant	01	Department of Police	Since 08 June 2010
Women Police Constable	01	Department of Police	Since 24 February 2012
Women Police Constable	03	Department of Police	Since 25 June 2015