

Report of the Auditor General on Head 309 – Department of Buildings – Year 2015

The audit of the Appropriation Accounts and the Reconciliation Statements including the financial records, books, registers and other records of the Head – 309 Department of Buildings 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 of the Department on 17 October 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 Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Accounts 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 Provisions and Expenditure

The total net provisions made for the Department amounted to Rs.345.30 million and out of that, Rs.338.96 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions made for the Department, amounted to Rs. 6.34 million representing 1.84 per cent. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of the Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	292.90	286.73	6.17	2.11
Capital	52.40	52.23	0.17	0.32
Total	345.30	338.96	6.34	1.84

2.2 Advances to Public Officers Account

2.2.1 Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account under the Item No. 30901 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
20.87	13.40	11.87	14.73	75.00	44.07

2.3 Imprest Account

The balance of the imprest account bearing No. 7000/0000/00/0067/0015/000 under the Department as at 31 December 2015 amounted to Rs. 2.22 million.

2.4 General Deposit Account

The balances of 03 Deposit Accounts under the Department as at 31 December 2015 amounted to Rs. 845.93 million. Details given below.

Deposit Account No.	Balance as at 31 December 2015
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	Rs. Millions
6000/0000/00/0016/0033/000	112.81
6000/0000/00/0013/0052/000	732.37
6000/0000/00/0002/0012/000	0.75

Total	845.93
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2.5 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Department of Buildings for the year ended 31 December had been satisfactorily prepared subject to the Audit Observations included in the Management Audit Report referred to in paragraph 1.1 above. The material and significant audit observations included in that Management Audit Report appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Non Maintenance of Books and Registers

The Department had not been maintained the Fixed Assets Register in the updated manner in terms of the Treasury Circular No.842 dated 19 December 1978.

3.2 Budget Variance

Over Provisions had been made for 05 Objects and the savings, after utilization of provisions ranged from 21 per cent to 78 per cent of the net provisions relating to those Objects.

3.3 Advances to Public Officers Account

During the course of audit test check with regard to the Reconciliation Statement of the Public Officers' Advance Account as at 31 December 2015, the Department had failed to recover the 02 outstanding balances even by 31 December 2015 remained over one year and 2 years amounted to Rs. 335,530.

3.4 General Deposit Account

Action in terms of the Financial Regulation 571 had not been taken for 3 deposits older than 2 years amounted to Rs. 50.86 million.

3.5 Performance

Even though it had been expected to complete the projects during the under review that had been included to the Action Plan, the following projects out of them had not been achieved any progress.

Type of Project	Estimated Expenditure	No. of Projects not Implemented	No. of projects not Implemented as a percentage of Implemented No. of the Expected Projects
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	Rs. Millions		----
Turnkey	85.36	13	25.4
Consultancy	83.44	18	23.6
Project Management	209.90	05	20.4

3.6 Irregular Transactions

One of the pool vehicles not released in terms of the Election Commissioner's Circular No. PRE/2014/TR-01 dated 21 October 2014, had been allowed to taken to an Officer of the Department for the Election Duties. The Department had spent a sum of Rs. 112,992 for repairing the vehicle which met with an accident on 07 January 2015. The Officer who had taken the vehicle to election duties, covered the duty on the post of Senior Assistant Secretary and taken allowances of transport and fuel for the above period. Even though the Officer who receives such allowances were not entitle to use pool vehicles, thus action had not been taken to recover the above loss from the Officer.

3.7 Losses and Damage

The following observations are made during the course of audit test checks carried out on losses and damage.

- (a) The Head of the Department had recommended to write off the loss of Rs.247,000 from the books without taking action in accordance with the Financial Regulation 104 for a vehicle met with an accident on 19 July 2014.
- (b) While disposing of 02 vehicles of the Department during the year 2014, a loss of Rs.322,050 had been occurred due to negligence of the Officers of the Department.

3.8 Human Resource Management

Approved Cadre and Actual Cadre

The position of cadre as at 31 December 2015, had been as follows.

Category of Employee	Approved Cadre	Actual Cadre	No. of Vacancies	Excess
(i) Senior Level	116	66	50	-
(ii) Tertiary Level	23	05	18	-
(iii) Secondary Level	281	179	102	-
(iv) Primary Level	178	123	45	-
(v) Others(Casual/Temporary/Contract Basis)	-	23	-	23
Total	598	421	193	23