

Report of the Auditor General on Head 322- Department of National Botanical Gardens Year 2015

The audit of the Appropriation Account, Revenue Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 322 - Department of National Botanical Gardens 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 23 June 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 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 Appropriation Account, Revenue 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

(a) Total Provision and Expenditure

The total net provision made for the Department amounted to Rs.706.51 million and out of that Rs.682.01 million had been utilized by end of the year under review. Accordingly, provisions of Rs.24.50 million or 3.47 per cent out of the total net provision made for the Department had been saved. 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	337.21	332.79	4.42	1.31
Capital	369.30	349.22	20.08	5.44
Total	706.51	682.01	24.50	3.47

(b) Utilization of Provision made Available by Other Ministries and Departments

Provision totalling Rs.17.25 million had been received from an another Ministry and 02 Offices respectively for various activities and out of this sums totalling Rs.17.14 million had been utilized. Accordingly, the saving was Rs.0.11 million and it was 0.63 per cent of the total provisions received. Details are shown below.

Provision made Available by the Ministry/Office	As at 31 December 2015		
	Provision	Utilization	Saving
	Rs. Millions	Rs. Millions	Rs. Millions
Ministry of Defence	1.55	1.54	0.01
His Excellency the President	10.14	10.07	0.07
Office of the Prime Minister	5.56	5.53	0.03
Total	17.25	17.14	0.11

2.2. Revenue Account

Estimated Revenue and Actual Revenue

According to the Revenue Estimate a collection amounting to Rs. 500 million had been estimated by the Department under the Revenue Code 20.03.02.19 and a revenue of Rs. 547.8 million had been collected during the year under review. It had been 109.6 per cent of the Estimated Revenue.

2.3 Advance Account

2.3.1 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.32201 and the actual amounts are given below.

<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
<u>Maximum Limit</u>	<u>Actual</u>	<u>Minimum Limit</u>	<u>Actual</u>	<u>Maximum Limit</u>	<u>Actual</u>
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
22.64	21.46	12.64	17.08	80.00	58.53

2.4 Imprest Account

The balance of the Imprest account No.7002/0000/00/0405/0015/000 of the Department amounted to Rs.0.11 million as at 31 December 2015.

2.5 General Deposit Accounts

The total of the balances of the 05 Deposit Accounts of the Department amounted to Rs.177.51 million as at 31 December 2015. Details are shown below.

<u>Deposit Account Number</u>	<u>Balance as at 31 December 2015</u>
	<u>Rs. millions</u>
6000/0000/00/0002/0087/000	4.23
6000/0000/00/0013/0057/000	5.57
6000/0000/00/0006/0070/000	145.40
6000/0000/00/0016/0039/000	22.07
6000/0000/00/0018/0049/000	0.24
Total	177.51
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2.6 **Audit Observation**

The Appropriation Account, Revenue Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of Botanical Gardens 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 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 in proper and updated manner.

Type of Register	Relevant Regulation
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(a) Register of Fixed Assets	Treasury Circular No. 842 dated 19 December 1978.
(b) Register for Electrical Equipment	Financial Regulation 454(2)

3.2 **Appropriation Account**

Budgetary Variance

Following observations are made.

- (a) The entire net provision of Rs. 3.00 million made for one Object had been saved.
- (b) Excess provisions had been made for 10 Objects and as such the savings after the utilization of provisions ranged between 07 per cent to 23 per cent of the net provisions relating to the respective Objects.

3.3 **General Deposit Account**

Action in terms of Financial Regulation 571 had not been taken on 38 deposits older than 2 years totalling to Rs.5.01 million.

3.4 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement on Item No. 32201 of the Advances to Public Officers Account as at 31 December 2015 the balances that remained outstanding totalled Rs.262,307. Even though those balances were outstanding ranging the period 01 year to 05 years, the Department had failed to recover the outstanding balances.

3.5 Good Governance and Accountability

3.5.1 Annual Action Plan

Even though the Department had been prepared an Annual Action Plan in terms of the Public Finance Circular No.01/2014 dated 17 February 2014 during the year under review, the following activities included in the Action Plan had not been implemented even by 31 December 2015.

- (a) The works such as repair of two Bungalows and construction of 02 summer huts at the Botanical Gardens at Avissawella to be completed by the date of 31 December 2015.
- (b) Repairing of a vehicle yard at the Botanical Gardens at Gampaha included in the Action Plans of years 2014 and 2015.

3.5.2 Annual Performance Report

Even though the Performance Report should be tabled to the Parliament in terms of the Public Finance Circular No. 402 dated 2002 September 12 within 150 days after the end of the financial year, it had not been tabled to the Parliament even by 2016 June 14.

3.6 Assets Management

The following deficiencies were observed during the course of audit test checks of the assets of the Department.

(a) Idle and Underutilized Assets

A motor vehicle had been idled for more than 03 years. No action had been taken to dispose the vehicle even by 14 June 2016.

(b) Conduct of Annual Boards of Survey

In terms of the Public Finance Circular No.02/2014 dated 17 October 2014, the Annual Boards of Survey should be conducted and the report should be submitted to the Auditor General before of 17 March 2016, reports of seven units out of the 25 units belongs to the Department had not been submitted to the Audit even by 23 June 2016.

3.7 Non – compliances

Non – compliance with Laws, Rules and Regulations

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

Reference to Laws, Rules and Regulations

Non-compliance

(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Financial Regulation 880, 881 and 882

Sureties had not been obtained from Officers who had been authorized to handle money.

(b) Public Administration Circular

Circular NO. 41/90 dated 10 October 1990

Even though consumption of fuel should be checked in every 06 months, it had not been so done.

3.8 Performance

Activities not Operated

Even though the Meegalawa Haritha Piyasa Training Centre had been established in the year 2008 with the object of conducting it as a training Centre on herbal plants and maintenance of plants, it had been unable to start functioning even by 30 April 2016.

3.9 Irregular Activities

Certain transactions of the Department had been irregular. Such an instance is given below.

Deviation from Government Procurement Procedure

In terms of Guideline 3.4 of the Government Procurement Guidelines, all parties who eligible and desirous of participating in public bidding are given an equal opportunity. While lease out of

the tea estate land of 08 Acres at the Seethawaka wet Zone Botanical Gardens area, deviated from the procurement procedures the land had been leased out to the previous (same) lease holder only by adding a 15 per cent to the bid amount to the previous lease value.

3.10 Management Weaknesses

Following deficiencies were observed during the audit sample test check.

- (a) The Royal Botanical Garden at Peradeniya had spent an amount of Rs.468,428 to planted 2,493 Anthurium plants in the year 2014, none of a well grown plant had been issued to the Laboratory.
- (b) There are 05 Botanical Gardens such as Peradeniya, Hakgala, Gampaha, Mirriggavila and Avissawella had been opened for the benefit of the visitors, the number of local and foreign visitors visited the 2 Botanical Gardens at Gampaha and Mirriggawilla had been at a low level. Even though one of the main tasks of the Department is to maintenance and Development of Botanical Gardens at high standards, this situation had been occurred due to poor attention made for this area.

3.11 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	Excess
(i)	Senior Level	33	15	18	-
(ii)	Tertiary Level	09	05	04	-
(iii)	Secondary Level	186	113	73	-
(iv)	Primary Level	521	515	40	34
(v)	Other (Recruited from Samurdhi Authority)	-	10	-	10
	Total	749	658	135	44