

Report of the Auditor General on Head 324—Department of Management Audit- Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 324 - Department of Management Audit 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 12 August 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 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.31, 960,300 and out of that a sum of Rs.31, 700,367 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.259, 933 or 0.81 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.	Rs.	Rs.	
Recurrent	30,460,300	30,389,443	70,857	0.2
Capital	1,500,000	1,310,924	189,076	12.6
Total	31,960,300	31,700,367	259,933	0.81

2.2 Advance Accounts

2.2.1 Advances to Public Officers Account

The limits authorized by Parliament for the Advances to Public Officers Account under Item No.32401 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
2.39	1.45	1.25	1.75	10.00	6.05

2.3 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Department of Management Audit 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 significant 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 Performance

The observations on the progress of the Department according to the Action Plan for the year 2015 are given below.

Even though it was planned to prepare two guidelines in the year 2015, action had not been taken to prepare and submit the guidelines in the year 2015.

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
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(i)	Senior Level	17	11	06
(ii)	Secondary Level	20	20	-
(iii)	Primary Level	11	08	03
	Total	48	39	09
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