

**Report of the Auditor General on Head 217 –Department of Probation and Childcare Services -
Year 2015**

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Department of Probation and Childcare Services - Head 217 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 Commissioner of the Department of Probation and Childcare Services on 13 September 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 Responsibilities 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 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. The responsibility includes; designing, implementing, 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. 323.20 million and out of that Rs. 307.03 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision made for the Department amounted to Rs. 16.17 million representing 5 per cent of the net provision. Details are given 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	290.08	278.21	11.87	4.10
Capital	33.12	28.82	4.30	12.95
Total	323.20	307.03	16.17	5.00

2.2 Advance Account -----

2.1.1 Advances to Public Officers Account -----

Limits Authorized by Parliament -----

Limits authorized by Parliament for the Advances to Public Officers' Account under item No.21701 of the Department and actual amounts are given below.

Expenditure -----		Receipts -----		Debit Balance -----	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.million	Rs.million	Rs.million	Rs.million	Rs.million	Rs.million
12.50	11.87	7.20	9.36	52.50	41.36

2.3 Audit Observation -----

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015, subject to the audit observations appearing in the Management Audit Reports referred to in Paragraph 1:1 of the Department of Probation and Child Care Services have been satisfactorily prepared. The material and significant observations out of the audit observations included in the said Management Audit Report, appear in paragraph 3 herein.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

It was observed during audit test checks that Department had not maintained the following registers while certain other 2 registers had not been maintained in the proper and updated manner.

	Type of Register	Relevant Regulation	Observations
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(i)	Register of losses	Financial Regulation 110	Not maintained
(ii)	Register of Fixed Assets	Treasury Circular No.842 of 19 December 1978.	Not Updated
(iii)	Register of fixed assets for computers, accessories and software	Treasury Circular No.IAI/2002/2 of 28 November 2002.	Not Updated

3.2 Lack of Evidence for Audit

Transactions relating to Rs. 20,653,900 could not be satisfactorily vouched in audit due to the unavailability of required evidence such as constructions ,purchase of goods and equipment and bills relevant to the conduct of programmes ,inventorising , distributions made from the provision provided to the Provincial Probation Departments ,from the Department of Probation and Childcare Services.

3.3 Replies to Audit Queries

Replies to 03 Audit queries issued in the year under review to the Department had not been furnished even by 30 June 2016. The value of quantifiable transactions relating to those audit queries amounted to Rs. 11,459,315.

3.4 Good Governance and Accountability

3.4.1 Annual Action Plan

The Physical Plan of the Action Plan prepared by the Department in terms of the Public Finance Circular No.01/2014 dated 17 February 2014 had not been shown and the progress reports in a manner to compare the financial and physical progress had also not been furnished.

3.4.2 Annual Procurement Plan

The detail Procurement timetable paragraph in terms of 4 of the National Budget Circular No.128 of 24March 2006 had not been updated.

3.4.4 Internal Audit

An Internal Audit Unit had not been established in the Department . Even though the internal audit of the Department should be carried out by the Internal Audit Unit of the Ministry of Women and Child Affairs, an internal audit had not been carried out in the year under review.

3.5 Non-compliance

Non-compliance with Tax Requirements

Payments should have been made by adding value added tax in the payment of supplies and services only for the institutions by which value added taxes are paid and registered in the Department of Inland Revenue. However ,a sum totaling Rs.126,848 had been paid as value added tax to the 2 institutions which the registered numbers for the payment of value added tax are unknown.

3.6 Performance

Observations relating to the Annual Budget Estimate, Action Plan and the progress of the Department for the year 2015 are as follows.

(a) Deviation from the Functions of the Main Objectives

The mission of the Department is to act as a national mechanism by coordinating the activities such as formulation , implementation ,follow up actions ,evaluation of policies to ensure opportunities while safeguarding the rights ,complete development and the security of children who are turned destitute, abandoned and helpless and other children confronted with legal issues in the social background in Sri Lanka in accordance with the international standards. However, preparation of National Policies and formulation of laws in accordance with the Global Charter according to protect the children's rights had not been done even as at the year 2016 ,having being about 60 years as at the end of the year under review the Department which was commenced in the year 1956.

(b) Key Functions not Executed Adequately

The following observations are made.

- (i) According to the Annual Action Plan, a sum of Rs.1.76 million had been sent to the Provincial Commissioners of Probations for the supervision of 215

Children's Homes out of the sum of Rs.2.00 million provided for the supervision of 400 Children's Homes . Action had not been taken to take future actions by obtaining supervision reports from 06 offices to which Rs.1.09 million had been sent out of that money. A sum of Rs.1.03 million saved due to the relevant functions not carried out from the money received to the Provincial Department of Probation for the carrying out various duties , had not been returned back to the Department.

- (ii) Three hundred and eighty nine Child Rights Promotion Assistant Officers are employed in the Department in Divisional Secretariat level. A sum of Rs.200.42 million had been spent for salaries, allowances, training programmes and other benefits on behalf of them in the year under review. The Monthly Progress Reports had not been duly sent by the District Officers in respect of the duties performed by them. The adequate data on children had not supplied from the reports sent and it was observed that the follow-up actions and supervision had not been properly functioned.
- (iii) Even though 4,380 awareness programmes such as children/parents/others had been conducted during the year under review, 11,084 complains had been reported in respect of child abuse. It had increased 5,735 complains as compared with the preceding year. Accordingly, the expected objectives from the programmes had not been achieved and the Department had not considered to take actions to minimize the problem by examining the reasons for the increase of abuse .
- (iv) Three thousand and forty nine children who were under risk condition had been identified in the year under review and preparation of security plans or protection had been certified only for 2,788 children. Preparation of security plans or the security had not been certified for the remaining children.
- (v) Out of the 11,084 child abuses reported in the year under review, full time solutions had been given only for 5,068 children. 2097 complains had been referred to the other institutions and short term solutions had been given for 3,919 complains. Actions had not been taken for 94 complains.

3.7 Irregular Transactions

Deviation from Government Procurement Procedure

An opportunity had been granted for 60 Child Rights Promotion Officers and Assistants to follow 6 months Diploma Course in Probation and Child Protection conducted by the Sri Lanka Foundation .A sum of Rs.1,890,000 had been paid as course fees on 11 January 2016 before the completion of the course. The final examination or presentation test or internship training which

were the course requirements had not been completed by 17 officers and any action in this connection had not been taken by the Department.

3.8 Management Weaknesses

The following management weaknesses were revealed during the course of audit test check certified in respect of transactions carried out in the year under review by the Department.

- (a) A sum of Rs.9,866,395 had been sent to the Provincial Probation Commissioners for the rehabilitation and construction of Children's Homes .The progress, performance and follow-up actions of those constructions had not been evaluated by the Department and , a methodology to ensure whether the expected objectives had been achieved from the money spent had not been followed.
- (b) A sum of Rs.1,574,162 had been sent to the Divisional and District Secretariats to implement the awareness programmes for 1505 children. The details of the relevant plans, attendants records, programme agendas and the lecturers had not been obtained. Therefore, an inquiry on the success of the programmes through a follow-up action also had not been carried out.
- (c) A sum of Rs.1,689,650 had been sent to 8 Provincial Councils for the training of Probation Officers. The details such as estimates, attendance records ,reports as to conduct those programmes had not been obtained and a methodology to measure the progress on the achievement of the expected objectives through the training had not been prepared.

3.9 Transactions of Contentious Nature

A sum of Rs.669,906 had been spent for the conduct of 18 programmes on exchange of experiences during the year under review. The Annual General Meeting of the Child Rights Promotion Officers/Assistants Welfare Society had been conducted stating as a programme for exchange of experiences of the Officers and introduced as conduct of a refresher course for which provision had not been made. A sum of Rs.806 227 had been spent by the Department of Probation and Child care Services in this connection.

3.10 Human Resources Management

Approved Cadre and Actual Cadre

The position on the cadre as at 31 December 2015 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	6	3	3
(ii)	Tertiary Level	240	234	6
(iii)	Secondary Level	224	180	44
(iv)	Primary Level	17	14	3
	Total	487	431	56

The following observation is made.

Fifty six vacancies in the approved cadre had existed at the end of the year under review. Preparation of Plans and supervision activities not properly functioned due to existence of 03 vacancies in Senior level , shortcomings on the implementation of the Plans had been observed due to existence of 44 vacancies in the posts of secondary level.