

## **Report of the Auditor General on Head 120 - Ministry of Women and Child Affairs - Year 2016**

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The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records, of the Head 120 - Ministry of Women and Child Affairs for the year ended 31 December 2016, was carried out in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review had been issued to the Secretary to the Ministry of Women and Child Affairs on 23 August 2017. The audit observations, comments and findings on accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and substantive 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 for the Accounts and Reconciliation Statements**

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The Chief Accounting Officer is 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, Public Finance and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control necessary to enable the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements, whether due to fraud or error.

## **2. Accounts**

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### **2.1 Appropriation Account**

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#### **Total Provision and Expenditure**

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The total net provision made for the Ministry amounted to Rs.9,901.60 million and out of that, a sum of Rs.7,468.09 million had been utilized by the end of the year under review. Accordingly, savings out of the net provisions of the Ministry amounted to Rs.2,433.51 million representing 24.58 per cent of the total net provision. Particulars are given below.

**As at 31 December 2016**

<b>Expenditure</b>	<b>Net Provision</b>	<b>Utilization</b>	<b>Savings</b>	<b>Savings, as a Percentage of Net Provision</b>
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	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	8,808.88	6,932.73	1,876.15	21.30
Capital	1,092.72	535.36	557.36	51.01
<b>Total</b>	<b>9,901.60</b>	<b>7,468.09</b>	<b>2,433.51</b>	<b>24.58</b>
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**2.2 Advances to Public Officers' Account**

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**Limits Authorized by Parliament**  
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The limits authorized by Parliament for the Advances to Public Officers' Account Item No.12001 relating to the Ministry and the actual values are shown below.

<b><u>Expenditure</u></b>		<b><u>Receipts</u></b>		<b><u>Debit Balance</u></b>	
<b>Maximum Limit</b>	<b>Actual</b>	<b>Minimum Limit</b>	<b>Actual</b>	<b>Maximum Limit</b>	<b>Actual</b>
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Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
30.00	24.70	18.00	19.64	85.00	65.68

**2.3 Audit Observation**

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The Appropriation Account and Reconciliation Statements of the Ministry of Women and Child Affairs for the year ended 31 December 2016 have 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**

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#### **3.1 Appropriation Account**

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##### **3.1.1 Budgetary Variance**

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The following observations are made.

- (a) The entire net provision amounting to Rs.97,667,500 made for 15 Objects had been saved.
- (b) Excess provisions had been made for 21 Objects and as such the savings, after the utilization of provisions, ranged from 50 per cent to 99 per cent of the net provisions.

#### **3.2 Imprest Accounts**

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Even though ad-hoc sub imprests obtained should be settled within 10 days after completion of the purpose in terms of Financial Regulation 371(5) revised by Public Finance Circular No.03/2015 of 14 July 2015, ad-hoc sub imprests aggregating Rs.804,293 granted in 38 instances had been settled during a period ranging from 20 days to 10 months, after the completion of purposes.

#### **3.3 Good Governance and Accountability**

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##### **3.3.1 Annual Procurement Plan**

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Provisions amounting to Rs.18 million had been made from the Budget Estimate for obtaining goods and services in accordance with the Government Procurement Guidelines. A Procurement Time Schedule had not been prepared in detail according to the period of purchase in terms of the paragraph of the National Budget Circular No.128 of 24 March 2006 for utilizing those provisions.

##### **3.3.2 Internal Audit**

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The following observations are made.

- (a) The main responsibility of the management is to bring about a performance in the entire function with a view to establishing an efficient internal control structure within the legal frame affecting the existence of the Ministry. Even though a methodology required for its assistance should be prepared and that role should be assigned to the internal audit, the management had not paid attention thereon.
- (b) The Internal Audit Unit had issued 30 audit reports in the year under review. The Management had not adequate course of action even by the end of the year under review to rectify the deficiencies pointed out by those audit reports.

### 3.4 Performance

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The observations on the progress of the Ministry according to the Annual Budget Estimate and the Action Plan of 2016 are given below.

(a) **Failure to achieve the Main Objectives**

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Even though the mission of the Ministry is formulating, executing and regulating provisions and policies aligned to practices of good governance to ensure the rights of children and women, enforcement of laws and policies formulated for ensuring, protecting and promoting the rights of children and women had not been implemented.

(b) **Key Functions not executed adequately**

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The following observations are made.

- (i) Provisions amounting to Rs.30 million had been made for the payment of a monthly allowance of Rs.250 in respect of 10,000 preschool teachers. Nevertheless, the teachers to whom the allowance should be paid had not been identified even by the end of the year under review and as such, allowances totalling Rs.11.68 million had been paid to only 4,100 preschool teachers.
- (ii) Even though the implementation of welfare and rehabilitation programs and protection for the destitute women and children is a key function of the Ministry, it was revealed in audit that the number of incidents of violation against women and child abuse faced by women and children exposed by newspapers alone, had been 1,251 in the year 2016 and during the first three months of the year 2017. The Ministry had not taken any steps whatsoever in respect of those incidents.
- (iii) Even though provisions amounting to Rs.67 million had been made for the conduct of programmes ensuring the protection and rights of children, a sum of Rs.47.61 million out of the said provision had been granted to District Secretariats by the end of the year under review. As the Ministry had not carried out a proper supervision on those provisions granted, a sum of Rs.29.13 million out of that had been saved by the end of the year under review.
- (iv) Provisions amounting to Rs.3.8 million had been made by the National Committee on Women under the prevention of child abuse and violation of women in the year 2015. Out of those provisions, a sum of Rs.2.92 million and Rs.0.72 million had been spent in the years 2015 and 2016 respectively for the conduct of 3 researches on child mothers, cyber technology and violation of women and the violation of women in estate sector. The reports thereon had been received in May 2016 and even though it was stated that the programmes

required for the implementation of the recommendations therein were planned, it had not been implemented even by the end of the year under review.

(c) **Implementation of Welfare Programmes**  
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Provisions of Rs.7,627.9 million had been made from the provision of supplementary estimates for the Welfare Object of the Ministry as Rs.7,500 million for the Nutrition Food Package for Pregnant Mothers Programme and Rs.127.9 million for the Glass of Fresh Milk Programme. The following observations are made in this connection.

(i) **Nutrition Food Package for Pregnant Mothers Programme**  
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Provisions amounting to Rs.7,500 million had been made for the Nutrition Allowance for Pregnant Mothers Programme and out of that, a sum of Rs.5,746 million had been spent as at 31 December 2016 according to the Appropriation Account. However, the expenditure incurred by each Divisional Secretariat as at that date in this connection had been Rs.4,354 million as confirmed by the Ministry. As such, a difference of Rs.1,392 million was revealed and that difference had not been identified even by 05 June 2017.

(ii) **Glass of Fresh Milk Programme**  
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Even though provisions of Rs.127.9 million had been made from the provision of supplementary estimates for the Glass of Fresh Milk Programme, out of that, only a sum of Rs.106.43 million had been spent. It had been pointed out by the Director of Maternal and Child Health that priority should be given to nutritious adult food in improving the nutrition level of children from 2 years to 5 years of age and that 100 millilitres of milk contains 87.5 millilitres of water. Even though the expected levels of nutrition had not been reached by this programme, the said programme had been implemented in the year 2016 as well.

(d) **Women Protection Centers**  
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According to the United Nations Report on Domestic Violence against Women, more than 60 per cent of the Sri Lankan women become the victims of domestic violence. These Centres had been established with a view to identifying and protecting the victims and for the protection of women and child victims of trafficking by the enactment of Prevention of Domestic Violence Act to prevent this situation. Even though 1,251 incidents of violation of women and child abuse had been reported by newspapers, protection for only 15 victims had been provided by the Protection Centre in Ratmalana in the year under review. There was no victim in the Protection Centre in Meerigama and a sum of Rs.515,100 had been paid as salaries to two Security officers in the year under review. Further, the Protection Centre constructed at a cost of Rs.10.57 million in the Ratnapura District in the year 2015 had not been utilized even by 31 July 2017.

Moreover, even though a sum of Rs.10 million had been sent to the Divisional Secretary on 17 July 2015 for the construction of a Protection Centre in Kandy, those construction work had been stopped and as such, the said provision had been cancelled. Even though it was stated that the deficiencies and the progress of these centres are reviewed by the Ministry of Justice and by this Ministry, it was observed that the Protection Centres remained vacant despite the large number of victims who need protection were living unprotected in the country.

**(e) Revolving Loan Programme**  
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Only the details of 274 Divisions had been provided to audit in respect of the Revolving Loan Programme implemented in 304 Divisional Secretariat Divisions by providing Rs.93 million from the year 1990 up to the year 2013 by the Sri Lanka Women's Bureau. Accordingly, a sum of Rs.85.46 million had been provided to those Divisions and out of that, a balance of Rs.50.5 million had existed in those accounts as at 31 December 2016. As such, it was observed that this programme had not functioned as a revolving loan programme. Further, even though the loan balances recoverable as at that date amounted to Rs.34.95 million, the loan balances existed totalled Rs.24 million, thus observing an unexplained difference of Rs.10.8 million between those two balances.

**3.5 Transactions of Contentious Nature**  
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Provision for the construction of buildings had not been made under 120-01-01-2104. Even though an expenditure of Rs.3,700,000 had been incurred for the construction of the parapet wall of the official residence of the Minister, that expenditure had been incurred from the provisions of Rs.10,143,000 obtained for the purchase of furniture and equipment in respect of the official residence of the Minister under the Object 120-01-01-2102 from the provisions of supplementary estimates. As such, it was observed that, the said expenditure had been incurred contrary to the conditions laid down in making provisions by supplementary estimates. Further, that expenditure had been shown as a purchase of furniture and equipment instead of the construction of buildings in the Register of Assets Movement.

**3.6 Management Weaknesses**  
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A Certificate Course of six months had been conducted under the Faculty of Agriculture of the University of Peradeniya in respect of promoting the female representation in the political sector and a sum of Rs.670,000 had been spent for 40 students at Rs.16,750 each in the year under review. Even though 73 students had been enrolled for this course, the number of students who had participated less than 76 lecture hours out of 114 lecture hours stood at 39 while 17 students had not participated in any lecture whatsoever. Further, only 32 students had obtained the certificates. Even though 04 such courses had been conducted for 179 students by spending Rs.6 million during the preceding years as well, only 109 students had completed the courses. However, the Ministry had not taken follow up action on the number of students out of them entered into and engaged in active politics.

### **3.7 Child Development Fund**

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The Child Development Fund had been established with a view to providing financial assistance to the Sri Lankan children who have lost their parents or guardians due to war situation and other natural disasters and those who have lost the opportunity to continue the studies and to improve the inborn talents and other skills due to financial difficulties. The Cabinet Decision No.අම/13/1436/528/008-1 of 24 January 2014 had stated that the proposed programmes should be implemented more effectively and the letter No.PFD/SOP/WMCA/001/FD/03 OF 26 July 2017 issued by the Additional Director General of the Department of Public Finance had also stated that the report prepared after reviewing all funds has been submitted for the approval of the Cabinet Committee on Economic Management and the Cabinet of Ministers. Nevertheless, sums amounting to Rs.1,987,856 and Rs.1,996,765 received from the sale of flags and as interest of fixed deposits in the preceding year and in the year under review respectively had not been utilized for the assistance to children as received.

Further, in the formulation of programmes so as to achieve the objectives of child protection, the aforesaid Cabinet Memorandum had paid more attention to the victims of child abuse, children of foreign employed parents and the children with special needs and the Annual Action Plan had been prepared accordingly. After obtaining the approval of the Department of National Planning in this connection, it had been agreed to carry out those activities. Nevertheless, a sum of £ 1,494,000 granted to the “Save the Children” Organization for this purpose, had not been provided to the Ministry.

### **3.8 Early Childhood Development Project**

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The following observations are made.

- (a) Provisions amounting to Rs.473 million had been made for the Early Childhood Development Programme commenced under the World Bank loan of USD 50 million. Nevertheless, adequate course of action had not been taken to implement the relevant programmes as planned and as such, a sum of Rs.357 million out of the said provision had been saved even by 31 December 2016.
- (b) It had been planned to carry out the project activities based on the census on Early Childhood Development Centres taken by the Department of Census and Statistics for which a provision of Rs.14.5 million was made according to the Annual Action Plan. Nevertheless, the report thereon had not been obtained even by July 2017 and a sum of Rs.5.96 million had been spent in this connection.
- (c) An agreement had been entered into with the Plantation Human Development Trust (PHDT) for the Early Childhood Development activities of the estate sector and a provision of Rs.112 million for the construction of 28 Early Childhood Development Centres as 04 per zone in estates belonging to 7 zones (Kegalle, Badulla, Kandy, Nuwara Eliya, Hatton, Ratnapura and Galle). Nevertheless, the construction work thereof had not been completed even by 31 December 2016.

Further, 13 out of 35 repairs to Early Childhood Development Centres and 46 out of 77 contracts for the constructions and repairs of play areas carried out under the Plantation Human Development Trust had not been completed even by the end of the year under review.

### 3.9 Programme on the Prevention of Gender based Violence

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The United Nations Development Programme had granted USD 1.8 million for this Programme. Out of that, a sum of approximately Rs.78 million had been spent in the years 2014,2015 and 2016 and out of the said amount, Rs.38.36 million had been spent for the preparation of an National Action Plan with a view to amalgamating and implementing the 9 sectors namely, child affairs, disaster and management, economic development, education, foreign affairs, health, justice, media and empowerment and prevention. The said National Action Plan was expected to be implemented during the years 2016-2020. Even though a provision of Rs.9.08 million had been made for carrying out 12 activities mentioned in the Action Plan of the Project, those activities had not been carried out by utilizing that provision. Further, even though a sum of Rs.1.72 million had been spent out of the provisions amounting to Rs.6.12 million made for 9 activities, out of which activities ranging from 38 per cent to 91 per cent had not been carried out as planned.

### 3.10 Human Resources Management

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#### Approved Cadre and Actual Cadre

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The position on the cadre as at 31 December 2016 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	31	27	04
(ii)	Tertiary Level	17	13	04
(iii)	Secondary Level	1,438	1,142	296
(iv)	Primary Level	86	66	20
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	Total	1,572	1,248	324
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The following observations are made in this connection.

- (a) Even though the number of vacancies of Women Development Officers and Assistant Counselling Officers attached to the Divisional Secretariats had been mentioned as 296, the officers employed even by the end of the year under review had been 1,142. Further, a proper follow up action and supervision on the duties performed by those officers had not been carried out and adequate explanations had not been given by the reports that had been sent as well.

- (b) Vacancies existed in 04 posts of Officers of senior level and 04 posts of Officers of tertiary level in the Ministry. As such, it was observed that planning and supervision of activities relating to Ministerial functions performed by the Divisional Secretariats and the activities of the Department of Probation and Childcare Services, National Child Protection Authority, Child Development Fund, Child Secretariat, Women's Bureau, Women's Committee and the Development Division could not be carried out properly.