

## **Report of the Auditor General on Head 124- Ministry of Social Empowerment and Welfare- 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 124 Ministry of Social Empowerment and Welfare for the year ended 31 December 2016 carried out in pursuance of provisions in Article 154(1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 29 September 2017. 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 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 Article 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**

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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.12,046.16 million and out of that Rs.11,622.13 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Ministry had been Rs.424.03 million or 3.52 per cent. Details appear below.

Expenditure	As at 31 December 2016			Savings as a percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	11,790.73	11,383.25	407.48	3.46
Capital	255.43	238.88	16.55	6.48
<b>Total</b>	<b>12,046.16</b>	<b>11,622.13</b>	<b>424.03</b>	<b>3.52</b>

## 2.2 Advances to Public Officers Account

### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No.12401 of the Ministry 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
15.00	14.58	6.00	8.43	48.00	35.72

## 2.3 General Deposit Accounts

The total of balances of 04 General Deposit Accounts under the Ministry as at 31 December 2016 amounted to Rs.4.03 million. Details appear below.

<b>Account Number</b>	<b>Balance as at 31 December 2016</b>
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	<b>Rs.Millions</b>
6000/0000/00/0002/0129/000	0.49
6000/0000/00/0013/0086/000	0.01
6000/0000/00/0016/0078/000	3.51
6000/0000/00/0018/0121/000	0.02
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<b>Total</b>	<b>4.03</b>
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## 2.4 Audit Observation

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The Appropriation Account and Reconciliation Statements of the Ministry of Social Empowerment and Welfare for the year ended 31 December 2016 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 that Management Audit Report appear in paragraph 3.

## 3. Material and Significant Audit Observations

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### 3.1 Implementation of Projects under Domestic Financing

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#### Projects abandoned without commencing

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The following observations are made.

- (a) The approval of the Cabinet of Ministers had been received for the establishment of the National Secretariat on Voluntary Activities on 16 October 2014. Action had not been taken to prepare a national policy necessary for obtaining legal recognition on that Secretariat Office and to obtain the approval of the Cabinet of Ministers even by the end of the year under review.
- (b) The approval of the Cabinet of Ministers had been given under the condition of preparing Guidelines for the Family Policy of Sri Lanka and furnishing it within two months, on 22 February 2012. A period of 05 years and 08 months had lapsed for that matter as at 31 August 2017 and, a total sum of Rs.1,087,438 had been spent from the year 2012 to the year 2015. However, the activities of the Guidelines had not been completed even by the end of the year under review.

## 3.2 Performance

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### **Key Functions not executed adequately**

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Several instances where the key functions of the Ministry not being executed adequately are given below.

- (a) A database system relating to the elders older than 70 years who receive financial assistance islandwide had not been prepared and had not been maintained and updated.
- (b) Provisions amounting to Rs.9,262.37 million had been made available to the Ministry in the year under review to provide an allowance amounting to Rs.2,000 for citizens with low income and are older than 70 years. A sum of Rs.9,059.59 million of it had been spent. As such, a sum of Rs.202.78 million of the provisions made available had been saved. Moreover, an approval of the cabinet of Ministers had been given to deduct a sum of Rs.100 of that allowance and to provide to the National Secretariat for Elders by the Divisional Secretariat Office. However, a sum of Rs.427.70 million received in that manner in the year under review remained idle even by 31 August 2017. Deducting a sum of Rs.100 of the allowance amounting to Rs.2,000 provided for the payment to citizens with low income and are older than 70 years through Annual Budget Estimates had been controversial on the achievement of the objective of providing the allowances.
- (c) Provisions amounting to Rs.667.22 million had been made available by the Annual Budget Estimates for the payment of the living assistance, a sum of Rs.3,000 each monthly to the patients who suffer from the kidney disease in 09 districts and provisions amounting to Rs.180.42 million had been saved as at the end of the year. Assistance had been paid only to 15,453 patients out of 19,645 identified patients in the year under review. However, even though there were 4,192 patients expecting assistance in the Waiting List, attention of the Ministry had not been paid in this connection.
- (d) Even though patients with the kidney disease included in the Waiting List had been identified in the beginning of the year under review, a sum of Rs.122.67 million of the provisions amounting to Rs.607.38 million sent to 09 District in the year under review had been saved by the end of the year under review. However, plans had not been made properly to provide those provisions to identified beneficiaries.
- (e) Even though necessary provisions should be released to initiate the payment of monthly assistance to the patients who suffer from the kidney disease from January 2016 itself and even though provisions amounting to Rs.3.87 million had been provided to the Hambantota District in January 2016, assistance money had been paid from June 2016 after a delay of 05 months.

- (f) Provisions amounting to Rs.2,300,000 had been made available to prepare 1500 magazines, 30,000 handbills and 20,000 Clients Evaluation Forms for the awareness programmes by the Counseling Division. However, 30,000 handbills out of them had not been prepared and a sum of Rs.2,010,000 had been spent to prepare 462,500 Clients Evaluation Forms and 180 banners and 1,500 magazines.

### 3.3 Human Resources Management

#### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	49	33	16
(ii) Tertiary Level	05	03	02
(iii) Secondary Level	471	307	164
(iv) Primary Level	83	71	12
(v) Others (Casual/Temporary/ Contract Basis)	04	03	01
<b>Total</b>	<b>612</b>	<b>417</b>	<b>195</b>

The following observations are made.

- (a) The Ministry had failed to fill 195 vacancies by the end of the year under review. However, 111 of the total vacancies had been the posts of Counseling Officers and vacancies of Counseling Officers remained in 147 Divisional Secretariat Offices. Most of the relevant plans could not be properly implemented on not being able to attach these officers.
- (b) Even though 02 Technical Officers belonged to the Approved Cadre of the Ministry, the relevant examinations could not be carried out relating to ensuring that all buildings, public places and public places of service which should be equipped with entrance facilities for persons with disabilities are prepared in a manner that enables the entrance of persons with disabilities in compliance with the requirements of the Procurement Committees on not recruiting the Technical Officers since the date of initiation.