

## **Report of the Auditor General on Head 136- Ministry of Sports- Year 2016**

---

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records on the Head 136 Ministry of Sports for the year ended 31 December 2016 was 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 11 October 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 on the Accounts and Reconciliation**

#### **Statements**

---

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**

---

#### **2.1 Appropriation Account**

---

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

---

The total net provision made for the Ministry amounted to Rs.1,635.73 million and out of that Rs.1,216.38 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision made for the Ministry had been Rs.419.35 million or 25.64 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	475.79	436.57	39.22	8.24
Capital	1159.94	779.81	380.13	32.77
<b>Total</b>	<b><u>1,635.73</u></b>	<b><u>1,216.38</u></b>	<b><u>419.35</u></b>	<b>25.64</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.13601 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
6.00	5.99	4.50	8.12	26.00	16.56

## 2.3 General Deposit Account

The total of balances of 03 Deposit Accounts under the Ministry as at 31 December 2016 total amounted to Rs.14.55 million. Details appear below.

**Deposit Account Number****Balance as at 31 December 2016**

-----	-----
	Rs.Millions
6000/0000/00/0001/0106/000	0.39
6000/0000/00/0002/0147/000	0.08
6000/0000/00/0016/0093/000	14.08
	-----
<b>Total</b>	<b><u>14.55</u></b>

**2.4 Audit Observation**

-----

The Appropriation Account and Reconciliation Statements of the Ministry of Sports 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**

-----

**3.1 Non- maintenance of Registers and Books**

-----

It was observed at the audit test checks that the following registers had not been maintained by the Ministry.

**Type of Register**

-----

**Relevant Regulation**

-----

(a) Register of Fixed Assets

Treasury Circular No.842 of 19 December 1978

(b) Register of Fixed Assets in respect of  
Computer Software and Accessories

Treasury Circular No.IAI/2002/02 of 28  
November 2002

### **3.2 Appropriation Account**

---

#### **(a) Budgetary Variance**

---

The following observations are made.

- (a) The entire net provision totalling Rs.26.35 million made available for 5 Capital Objects had been saved.
- (b) Provisions ranging from 10 per cent to 98 per cent had been saved out of the provisions relating to 50 Objects after the utilization of provisions due to making over provisions for 50 Objects.

#### **(b) Non- comparisons**

---

The expenditure according to the Votes Ledger (136-2-4-1-2401) under the Object of Sports Modification Project had been a sum of Rs.19,198,113 and a difference of Rs.19,198,113 and according to the Treasury Printouts it was Rs.19,392,463 owing to that a difference of Rs.194,350 was observed.

### **3.3 Reconciliation Statement on Advances to Public Officers Account**

---

The following weaknesses were observed at the audit test check carried out in respect of the Reconciliation Statement as at 31 December 2016 on Advances to Public Officers Account Item No.13601.

- (a) According to the Reconciliation Statement presented to audit, the outstanding balance as at that date totaled Rs.251,746. A sum of Rs.117,015 out of those outstanding balances had been outstanding loans recoverable from two officers who had vacated from their posts. Those outstanding loans remained from a period ranging from 03 years to 04 years and the Ministry had failed to recover those loans.
- (b) A difference of Rs.175,498 was observed between the Balance of the Advances to Public Officers Account of the Ministry and the Balance in the Treasury Books, in the year under review.

### 3.4 Assets Management

-----

#### 3.4.1 Conduct of Annual Boards of Survey

-----

Action had not been taken in terms of the Financial Regulation 770 relating to the goods that could not be utilized indicated in the Boards of Survey Reports relating to the year 2016.

#### 3.4.2 Irregular use of Assets belonging to other Institutions

-----

Nine vehicles belonging to 03 Ministries and other Government Office had been used for activities of the Ministry without properly being vested by the Ministry.

### 3.5 Performance

-----

The following instances where the number of officers participated being higher than the number of sportsmen for foreign tournaments, were observed in the year under review.

<b>Sports Conference</b>	<b>Country</b>	<b>Tournament</b>	<b>Number of Officers participated</b>	<b>Number of Sportsmen participated</b>
-----	-----	-----	-----	-----
Olympic	Brazil	Paralympic Tournament	15	09
Football	India	South Asian Games	19	10

Here, only one bronze medal had been achieved from the javelin tournament of the Paralympics held in Brazil and any victory whatsoever had not been achieved from the Football Tournament held in India. It was observed that participating officers for International Tournaments had not been carried out on a specific policy.

### 3.6 Irregular Transactions

-----

The following matters were observed relating to the stock of drugs purchased from the State Pharmaceuticals Corporation of Sri Lanka by spending a sum of Rs.1,330,073 by the Institute of Sports Medicine with the objective of providing to the sportsmen and sportswomen participated for the 12<sup>th</sup> South Asian Games.

- (i) Drugs remained not being issued out of the drugs distributed among the sports committees for using on the occasion where the tournament is being held had not been returned to the Institute of Sports Medicine even up to 11 October 2017 from some sports committees.
- (ii) Details relating to the drugs provided to the sportsmen and sportswomen of the tournament and the registers of which the details relating to the drugs remained had not been properly maintained and updated.

### 3.7 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	33	23	10
(ii) Secondary Level	16	11	05
(iii) Tertiary Level	109	75	34
(iv) Primary Level	84	74	10
<b>Total</b>	<b>242</b>	<b>183</b>	<b>59</b>
	=====	=====	=====

The approved cadre for the post of the Research Officer of the Secondary Level had been two and actual cadre was 03. Owing to that non approved one officer was in the actual cadre. Action had not been taken by the Ministry to obtain a proper approval relating thereto.