

Report of the Auditor General on Head 182 –Ministry of Foreign Employment - Year 2016

The audit of the Appropriation Account and reconciliation statements including the financial records, books, registers and other records of the Ministry of Foreign Employment –Head 182 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 08 August 2017. The audit observations, comments and findings on the accounts and the 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

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Financial and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliations 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.1,143.81 million and out of that a sum of Rs.1,069.21 million had been utilized as at the end of the year under review. Accordingly, saving out of the net provision of the Ministry amounted to Rs.74.60 million or 6.52 per cent out of the net provision. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Million	Rs. Million	Rs. Million	
Recurrent	619.36	593.45	25.91	4.18
Capital	524.45	475.76	48.69	9.28
Total	1143.81	1069.21	74.60	6.52

2.2 Advances to Public Officers Account

Limits Authorized by Parliament

Limits authorized by Parliament and the actual values relating to the Advances to Public Officers' Account item No.18201 in relation to the Ministry 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
25.00	18.34	6.00	12.10	50.00	31.35

2.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2016, it was observed that subject to the audit observations appearing in paragraph 1:1 of the Management Audit Report, the Appropriation Account, and the reconciliation statements of the Ministry of Foreign Employment had been prepared satisfactorily. The material and important observations out of the observations included in the Management Audit Report appear in paragraph 3 herein.

3. Material and Significant Audit Observations

3.1 Advances to Public Officers Account

At the examination carried out relating to Reconciliation Statement as at 31 December 2016 relating to the Advances to Public Officers Account Item No. 18201, the employee loan balances that remained outstanding as at that date totalled Rs.1,124,384. Out of that, a sum of Rs.226,210 remained over periods ranging from 01 year to 03 years, action had not been taken to recover the outstanding balances.

3.2 **Assets Management**

Idle and Underutilized Assets

- (a) It is informed by the Letter No.PFD/ASD/Veh/06 dated 20 November 2012 of the Director General of the Department of Public Finance, that the auction procedure relating to a vehicle belonging to the Ministry should be carried out without delay .However, the auction procedure relating to the said vehicle had not been carried out even by 17 July 2017.
- (b) Even though 06 months period had elapsed from the distribution of 242 computers to the Divisional Secretariats which purchased at Rs.29,995,900 on 06 December 2016 objective to computerize the information relevant to create the family profile in respect of emigrated employees and maintenance of data system and update ,that information system had not been implemented.

3.3 **Performance**

The following matters were observed.

- (a) The Programme for obtaining information relating to the number of employees proceeded abroad in the year 2016 by the Circular No.2016/01 and dated 05 January 2016 of the Secretary to the Ministry, had been implemented by the Ministry of Foreign Employment from 08 to 14 January 2016 . The Foreign Services Bureau had paid a sum of Rs.8,284,964 for the electronic media and posters for its propaganda . Even though about 2,000,000 of employees who proceeded abroad were existed by the year 2016, the number registered under Shrama Surekuma by that time period was nearly 200,000 and it had been a lower percentage of 10 per cent.
- (b) It was observed that the pension scheme for the emigrated employees which was introduced under the Government Expeditious Programme as per the Cabinet Decision No.16/2048/741/011 dated 09 November 2016 had been the level of preparation of initial draft even by 17 July 2017 ,the due date.

3.4 **Transactions not Supported by Adequate Authority**

The removed spare parts relevant to the repairing expenses amounting toRs.2,187,665 of 07 vehicles and the 31 spare parts purchased for 06 vehicles belonging to the Ministry had not been handed over to the stores of the Ministry.

3.5 Human Resources Management

Approved Cadre and Actual Cadre

Position of the cadre as at 31 December 2016 is as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
Senior level	11	11	-
Tertiary Level	02	01	01
Secondary Level	1,216	1,029	187
Preliminary Level	29	26	03
Total	1,258	1,067	191

The following matters were observed.

- (a) Even though the approved cadre of the Ministry approved by the Department of Management Services was 1,258, the actual cadre as at 31 December 2016 was 1,067. Accordingly, it was observed a deficiency of 191 in the cadre and revealed that 176 or 92 per cent out of that were Development Officers.
It was observed that existence of such vacancies is a barrier to the duties of the Ministry due to the main duties of this Officers are obtaining of family background reports of the house maids who apply for proceeding abroad and co-ordination of the welfare activities of the emigrants in divisional level.
- (b) In the attachment of the Development Officers to the District Secretariats and Divisional Secretariats, 13 Officers in excess had been attached to another Divisional Secretariat in an instance of 77 vacancies in the post of Development Officers. Approximately a sum of Rs.3,684,330 had been spent for the payment of salaries from January to September 2016 for that Officers and the Ministry had not paid attention on deploy of the excess employees as minimize the number of vacancies and referred to the other Administrative Districts.