

Report of the Auditor General on Head 192 – Ministry of Law and Order and Southern Development – Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 192 – Ministry of Law and Order and Southern Development for the year ended 31 December 2016 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 Secretary to the Ministry on 22 June 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.

1.1 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 Account 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 Finance 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

(a) Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.9,438.11 million and out of that Rs.8,048.46 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Ministry amounted to Rs.1,389.65 million or 14.72 per cent. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of the Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	7,466.72	7,042.56	424.16	5.68
Capital	1,971.39	1,005.90	965.49	48.98
Total	9,438.11	8,048.46	1,389.65	14.72

2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

Limits authorized by Parliament for the Advances to Public Officers Account, Item No.19202 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
210.00	71.53	90.30	108.16	400.00	129.16

2.3 General Deposit Accounts

The balance of the General Deposit Account of the Ministry as at 31 December 2016 totalled Rs.72.25 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2016
	Rs. Millions
6000/0000/00/0002/0141/000	4.73
6000/0000/00/0013/0096/000	3.51
6000/0000/00/0013/0095/000	0.02
6000/0000/00/0001/0101/000	1.97
6000/0000/00/0016/0087/000	62.02
Total	72.25

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2016 of the Ministry of Law and Order and Southern Development 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 said Management Audit Report appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Appropriation Account

3.1.1 Budgetary Variance

The following observations are made.

- (a) The entire net provision totalling Rs.61,270,000 made for 33 Objects had been saved without utilizing even by the end of the year under review.
- (b) Excess provision had been made for 20 Objects and as such the savings, after the utilization of provision, ranged between 10 per cent and 89 per cent of the net provision relating to the respective Objects.
- (c) Even though provisions for 04 Objects had been obtained by allocations from Supplementary Estimates, the savings, after the utilization of the relevant provisions by the end of the year under review, ranged from 23 per cent to 90 per cent of the provisions allocated from Supplementary Estimates.

3.2 Reconciliation Statement on Advances to Public Officers Account

According to the Reconciliation Statement as at 31 December 2016 of the Advances to Public Officers Account presented to audit, the balances that remained outstanding as at that date totalled Rs. 3,458,874 and the Ministry had failed even by the end of the year under review to recover outstanding loan balances totalling Rs.1,767,022 out of those outstanding loan balances brought forward over a period of 3 years.

3.3 Assets Management

The following deficiencies were observed during the course of audit test checks of the assets of the Ministry.

Idle and Underutilized Assets

It was observed during the course of audit test checks that premix building constructions of 03 Camps of Special Tasks Force, categorized below had remained either idle or underutilized.

Camp	Total Area in Square Meters	Value	Idle/Underutilized period
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		Rs.	
Meepilimana	413.478	9,230,855	03 years

Maskeliya	954.180	21,301,973	03 years
Thalawakele	890.568	19,881,841	03 years

3.4 Performance

The Ministry of Law and Order and Southern Development was established by the Gazette Extraordinary Notification No.1942/10 of 14 November 2015 for strengthening the objective of creating a peaceful ambience through safeguarding the public order of our motherland as well as the for the contribution in respect of a balanced development of southern area. **As a whole**, the objectives of the Ministry and the performance relating to the achievement of those objectives are given below.

Objectives

Formulation of necessary policies and guidance for the maintenance of a peaceful ambience which enables each and every citizen to live without fear and apprehension.

Assistance to prevent and control the use of dangerous drugs.

Achievement of Objectives

The number of crimes which was 1,180,805 in the year 2014 had decreased to 1,129,555 in the year 2015 on the policy and strategic guidance required to speed up the solutions for crimes reported in the country. The number of crimes reported in the year under review stood at 1,155,215. The percentage of resolution of grave crimes reported in the years 2014, 2015 and 2016 were at the levels of 58 per cent, 32 per cent and 73 per cent respectively.

Taking into consideration the crimes reported against the children and women, the number of crimes reported in the year 2014, had been 14,302 and it had decreased to 14,199 in the year 2015. That number reported in the year under review stood at 14,717. The percentage of resolution of crimes reported in the years 2014, 2015 and 2016 were at the levels of 42 per cent, 68 per cent and 56 per cent respectively.

The number of arrests made for narcotic drugs in the years 2014, 2015 and 2016 had been 11,117 kg, 13,548 kg and 38,872 kg respectively. Arrest of narcotic drugs such as Cannabis, Cocaine and Heroine out of those drugs, had vastly increased in the year under review as compared with the preceding year and as such, it was revealed that there was a tendency to circulate narcotic drugs in the country.

Control the vehicular traffic for facilitating the transport and formulation of laws and rules to minimize the traffic congestion.

In a situation where a rapid growth is occurred in the number of motor vehicles used for the transport in the country, the rate of increase in the number of vehicular accidents had been controlled proportionately.

Year	Total Accidents	Number of Motor Vehicles	Number of Accidents for 1,000 Motor Vehicles
2014	36,050	5,633,234	6
2015	36,918	6,302,141	6
2016	39,086	6,795,469	6

However, the number of deaths occurred due to fatal accidents, serious and fatal accidents occurred during the above period of three years, had increased.

Description	2014	2015	2016
Fatal accidents	2,260	2,600	2,824
Serious accidents	7,071	8,186	8,148
Number of deaths	2,440	2,816	3,003

Coordinating activities relating to the development of infrastructure facilities in the Southern province.

The total number of approved development projects stood at 689 comprising 86, 519 and 84 in Galle, Matara and Hambanthota Districts respectively in the year under review. The total number of projects completed stood at 496 comprising 66, 347 and 83 in Galle, Matara and Hambanthota Districts respectively. Even though provisions amounting to Rs.864.69 million had been made for these projects, a sum of Rs.381.65 had been saved.

Establishment of the Southern Development Board.

Until the Southern Development Board will be properly established, it should act as an Interim Board and the approval had been received on 30 March 2016 to the Cabinet Paper by which the members for that Interim Board are appointed, necessary staff is appointed and the relevant facilities are provided. The following observations are made in that connection.

- (i) The Southern Development Board had not been established even by 31 May 2017.

- (ii) Even though sums of Rs.16.77 million and Rs.5.22 million had been spent as the lease rental and other expenses of the office of the Interim Board respectively in the year under review, an adequate performance relating to the southern development activities had not been carried out.

3.5 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
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(i)	Senior Level	89	65	24
(ii)	Tertiary Level	352	241	111
(iii)	Secondary Level	10,463	7,743	2,720
(iv)	Primary Level	669	580	89
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	Total	11,573	8,629	2,944
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