

**Report of the Auditor General on Head 233 –Department of Government Analyst
Year 2016**

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 233 – Department of Government Analyst 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 Government Analyst on 11 July 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 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and the Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are 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 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 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 Department amounted to Rs.660.50 million and out of that Rs.610.35 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Department amounted to Rs.50.15 million or 7.59 per cent, Details are given 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	248.25	244.65	3.60	1.45
Capital	412.25	365.70	46.55	11.29
Total	660.50	610.35	50.15	7.59
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2.2 Advance to Public Officers Account

----- Limits Authorized by Parliament -----

The limits authorized by Parliament and actual values for the Advances to Public Officers Account. Item No.23301 of the Department and the actual values are given below.

Expenditure -----		Receipts -----		Debit Balance -----	
Maximum	Actual	Maximum	Actual	Maximum	Actual
Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
8.50	4.86	4.50	6.22	32.00	18.09

2.3 General Deposit Accounts

The balance of 3 Deposit Accounts of the Department as at 31 December 2016 totalled Rs.2.13 million. Details appear below.

Deposit Account No. -----	Balance as at 31 December 2016 ----- Rs. Million
6000/0000/00/0016/003/000	1.60
6000/0000/00/0018/0004/000	0.49
6000/0000/00/0020/0051/000	0.04

	2.13
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2.4 Audit Observation

The Appropriation Account and the Reconciliation statements of the Department of Government Analyst 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 important audit observations out of the audit observations included in the Management Audit report appear in paragraph 3.

3. Material and Significant Observations

3.1 Non-maintenance of Registers and Books

The security deposit Register had not been maintained by the department in terms of the financial Regulation 891(1).

3.2 Reconciliation Statements of Advance "B" Account

Following observations are made on the sample audit test of the Advance to Public officers Account. Item No.23301.

- (a) As per the reconciliation statement as at 31 December 2016 there was a different of Rs.377,672 between Department actual debit balance and the Book Balance.
- (b) As per the reconciliation forwarded for the audit total arrears loan balance as at that date was totalling to Rs.30,554. Further this arrears prevailing from 1 year to 5 year time period, Department had not been able to recover this balance.

3.3 Accountability and Good Governance

Internal Audit

Rs.654.5 million had been provided for the Department by the annual Budget Estimates. 237 staff of the approved cadre of the Department had provided services and value of non current Assets of Rs.2017.11 million. Thus an internal Audit had not been established in the Department in terms of Financial Regulation 133. Even though the Internal Audit of the Ministry had carried out the relevant audit, it was observed that an adequate internal audit had not been carried out.

3.4 Assets Management

Following in efficiencies are made on the sample Audit test on the assets of the department.

- (a) Department owned 4 vehicles were in idle for 2 years.

(b) The vehicle owned by the Development Finance Department had been used more than one year without getting proper approval.

3.5 Non-compliance

 An inquiry had not been carried out in respect of accidents caused to 6 vehicles of the Department in terms of Financial Regulation 104(1).

3.6 Performance

 There had been 3,955 samples for testing and issuance of reports to the Department as at 01 January 2016. Another 30,772 samples had been received for the year under review. Accordingly, the Department should have tested 34,727 samples for the year under review. Out of that the department had tested only 29,783 samples and issued the reports. As at 31 December 2016, 4944 samples has to be checked and it should be done in the year 2017. Age analysis of those samples which are not tested and brought forward given below.

Period of samples retained in hand without testing	Number of samples	As a percentage of the samples retained in hand
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Less than 01 year	3,219	65.1
More than 1 year and less than 3 year	1,133	22.9
More than 3 years and less than 5 years	253	5.1
More than 5 years and less than 10 years	305	6.2
More than 10 Years	34	0.7
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Total	4,944	100
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3.7 Human Resources Management

 Approved cadre and actual cadre

 The position of 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	91	82	09
(ii) Tertiary Level	10	03	07
(iii) Secondary Level	119	87	32
(iv) Primary Level	78	65	13
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	298	237	61
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As at 31 December 2016, 61 vacancies existed including with 9 Senior level vacancies. Out of that 7 vacancies prevailing more than 1 year, officers had been appointed as acting basis and acting allowances had been paid on that. Amounting to Rs.334,224 had been paid as acting allowance for the year under review.