

## **Report of the Auditor General on Head 250 – Department of State Accounts -Year 2016**

---

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 250 - Department of State Accounts 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 Director General on 14 August 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 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 of State Accounts amounted to Rs.43.30 million and out of that Rs.42.69 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provisions of the Department amounted to Rs.0.61 million or 1.41 per cent. Details are given below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	41.60	41.21	0.39	0.94
Capital	1.70	1.48	0.22	12.94
Total	43.30	42.69	0.61	1.41

## 2.2 Advance Account

### 2.2.1 Advances to Public Officers Account

#### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account under Item No.25001 of the Department and the actual values 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
3.00	2.89	1.00	1.57	11.00	8.11

### 2.2.2 Non-Commercial Advance Accounts

The limits authorized by Parliament for two Non-commercial Advance Accounts of the Department and the actual amounts are given below.

Item Number	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
25002	4.00	3.76	2.50	4.11	1.75	0.57
25003	10.00	-	2.50	111.61	360.00	224.49

### **2.3 Imprest Account**

-----

The balance of the Imprest Account No.7002/0000/00/0260/0016/000 of the Department of State Accounts as at 31 December 2016 amounted to Rs.299,799.

### **2.4 Audit Observation**

-----

The Appropriation Account and the Reconciliation Statements of the Department of State Accounts 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 the Management Audit Report appear in paragraph 3. Nevertheless, the audit observations included in the Report of the Auditor General on the financial statements for the year ended 31 December 2016 of the Constitution of the Democratic Socialist Republic of Sri Lanka prepared and presented by the Director General of State Accounts as the Accounting Officer, had not been included in this Report.

## **3. Material and Significant Audit Observations**

-----

### **3.1 Advances to Public Officers Account**

-----

The audit test check carried out on the Reconciliation Statement of the Advances to Public Officers Account bearing Item No.25001 as at 31 December 2016 had revealed an outstanding loan balance totalling Rs.297, 799 not recovered for a period ranging from 04 years to 07 years.

### **3.2 Non-Commercial Advance Accounts**

-----

The audit test check carried out on the Reconciliation Statement of the Miscellaneous Advance Account bearing Item No.25003 as at 31 December 2016 had revealed an outstanding loan balance totalling Rs.224.49 million not recovered for a period over 07 years.

### 3.3 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
(i) Senior Level	16	11	05
(ii) Tertiary Level	03	02	01
(iii) Secondary Level	35	23	12
(iv) Primary Level	12	08	04
(iv) Other(Casual/Temporary/Contract basis)	-	-	-
<b>Total</b>	<b>66</b>	<b>44</b>	<b>22</b>

In case of adverse effects that would have on the performance of the Department due to these vacancies including 5 posts in the Senior Level, it is emphasized that attention is needed in respect of filling vacancies and /or revision of the approved cadre.