

Head 167 - Report of the Auditor General of the Ministry of Special Assignments – Year 2017

The Appropriation Account and a Reconciliation Statement under Head and Item Number stated in the First Schedule and Third Schedule of the Appropriation Act No. 24 of 2016 as amended by the Appropriation (Amendment) Act No.32 of 2017 were presented to audit by the Ministry of Special Assignments. The financial and physical performance reflected from those accounts and the reconciliation statements were audited in terms of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.2 Responsibility on the Financial Management and Accountability of the Chief Accounting Officer, Accounting Officer and the Revenue Accounting Officer

The Minister of Finance is charged with the raising of Revenue and the collection of Government monies as well as with the general oversight of all the financial operations of Government in terms of Financial Regulation 124. The Minister of Finance appoints the Chief Accounting Officers to discharge above responsibility in terms of Financial Regulation 124(2). The Head of the Department will be the Accounting Officer in respect of all financial transactions of his Department in terms of Financial Regulation 125(1)(a) and the Revenue Accounting Officer has been appointed by the Treasury. This responsibility includes designing, implementing and maintaining internal controls relevant to the maintenance, preparation and fair presentation of Accounts and Reconciliation Statements presented within the limitations imposed by Parliament 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, Government Financial Regulations and Administrative Regulations.

1.3 Scope of Audit

The audit of Ministry of Special Assignments – Head 167 for the year ended 31 December 2017 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in respect of designing of financial and physical performance, Government expenditure, Government revenue, management of human and physical resources, applying of internal control systems, compliance with laws, rules and regulations and maintenance of updated books, registers, records and reconciliation statements, preparation and presentation of accounts in timely manner, issuance of performance reports to respective parties based on the performance indicators. The Management Audit Report for the year under review was issued to the Secretary of the Ministry on 13 June 2018. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the plans, accounts, reconciliation statements and performance reports 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.

1.4 Audit Observation

The audit observations of the Ministry of Special Assignments for the year ended 31 December 2017 revealed in audit appear in Management Audit Report mentioned in paragraph 1.3 above. The material and significant audit observations out of the audit observations included in the Management Audit Report appear in paragraph 2.1 to 2.3 of this report. It was observed that the accountability as the Accounting Officer has been executed, to ensure the adequacy of the financial control satisfactorily subjected to the following summarized audit observations revealed in the execution of the provisions of the Financial Regulation 127 of the Democratic Socialist Republic of Sri Lanka.

Accountability of the Accounting Officer in terms of Financial Regulation 127	Non-compliance with the Provisions by the Accounting Officer	Reference to the Paragraph included Observations	
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Financial Regulation			

127 (1)(a)	Should plan the financial works that the business is transacted with correctness and financial propriety	Action Plan had not been prepared.	2.1.1
127 (2)	That existing items of expenditure, as well as proposals for new or increased expenditure in the department under his control, are closely examined in the Ministry from the points of view of economy and efficiency.	Annual Performance Report had not been tabled in the parliament.	2.1.2

2. Material and Significant Audit Observations

2.1 Performance

2.1.1 Planning

The annual action plan for the year 2017 had not been prepared in terms of Public Finance Circular No.01/2014 of 17 February 2014. The Ministry had prepared a strategic management report, but performance for the year 2017 could not be evaluated using the said report.

2.1.2 Annual Performance Report

In terms of Public Finance Circular No.402 of 12 September 2002, the Performance report for the year under review of the Ministry should be tabled in the Parliament within 150 days after closing the financial year. This report had not been tabled in the Parliament even up to 30 June 2018.

2.2 Utilization of Provisions made by Parliament for Execution of Activities

The particulars relating to the provisions utilization and savings for during 02 years ended 31 December 2017, are given below.

Year	Category of Expenditure	Net Provision	Utilization	Savings	Savings as a Percentage of Net Provision
		Rs.Millions	Rs.Millions	Rs.Millions	
2016	Recurrent	85.20	59.65	25.55	29.99
	Capital	107.80	12.44	95.36	88.46
	Total	193.00	72.09	120.91	62.65
2017	Recurrent	69.46	68.90	0.56	0.81
	Capital	95.69	42.95	52.74	55.12
	Total	165.15	111.85	53.30	32.27

2.3 Human Resources Management

Approved Cadre, Actual Cadre and personal Emoluments Expenditure

The particulars relating to the Approved Cadre, Actual Cadre and the Vacancies as at 31 December 2017 are given below. The Ministry had incurred a sum of Rs.30.91 million for the personal emoluments for the year under review. Accordingly, the per capita expenditure had been Rs.858,571.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	8	6	2
(ii) Tertiary Level	3	2	1
(iii) Secondary Level	15	14	1
(iv) Primary Level	15	13	2
(v) Casual/ Contract Basis	3	1	2
Total	44	36	8