

Head 326 - Report of the Auditor General on the Department of Community Based Corrections - Year 2017

The Appropriation Account and the 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 Department of Community Based Corrections. The financial and physical performance reflected by 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 of the Chief Accounting Officer and the Accounting Officer for the Financial Management and Accountability

The Minister of Finance is charged with the raising of Revenue and the collection of other Government monies as well as with the general oversight of all the financial operations of Government in terms of Financial Regulation 124 of the Democratic Socialist Republic of Sri Lanka. The Chief Accounting Officers have been appointed by the Minister of Finance to discharge the above responsibility in terms of Financial Regulation 124(2). The Head of the Department will be the Accounting Officer in respect of all the 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 Articles 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 the Department of Community Based Corrections – Head 326 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, apply of internal control systems, compliance with laws, rules and regulations and maintenance of books, registers, records and reconciliation statements in an updated manner, 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 Commissioner of the Department on 31 August 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 Department of Community Based Corrections for the year ended 31 December 2017 revealed in audit, appear in the Management Audit Report in detail, mentioned in paragraph 1.3 above. The material and significant audit observations out of the said observations, appear from paragraphs 2.1 to 2.8 of this report. It was observed that the accountability as the Accounting Officer had been satisfactorily executed, to ensure the adequacy of the financial administration subjected to the following summarized audit observations revealed in the execution of the provisions of the Financial Regulation 128 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Accountability of the Accounting Officer in terms of Financial Regulation 128(1)	Non-compliance with that Provision by the Accounting Officer	Reference to the Paragraph of the report which included the Observation
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Financial Regulations		

128(1)(a) That the work of his department is planned and carried out with due despatch, having regard to the policy laid down by the Government and the intentions of Parliament in granting him financial provision for the activities authorised, and that an endeavour is made to complete the programme of work laid down for the year and/or to attain the targets specified;	1. Excess Provision 2. Non-maintenance of Registers and Books	2.5
128(1)(c) That the Financial Regulations and other supplementary instructions of the Government are adhered to in his department, and that they are supplemented by departmental instructions, where necessary;	Non-compliances	2.6
128(1)(f) That such information, statements and returns as are called for by the Chief Accounting Officer or the Treasury, are rendered correctly and promptly;	Non-tabling of the Annual Performance Report	2.2.2

128(1)(h) That special arrangements are made to recover outstanding dues and that the officers assigned that task report to him at least once a quarter or as otherwise directed regarding arrears and action pursued to expedite their recovery; Non-recovery of outstanding loan balances of the Advances to Public Officers Account. 2.4(a)

2. Material and Significant Audit Observations

2.1 Key Functions of the Department

- (a) Entering community based corrections orders in respect of minor offenders
- (b) Implementation of religious development programs to build up spiritual development of the offenders
- (c) Development of mental health of offenders through psychological counseling
- (d) Implementation of vocational training to develop special skills and livelihood development
- (e) Implementation of special projects to build up special skills and economic development of the offenders
- (f) Referring them for medical treatment to prevent substance abuse
- (g) Implementation of personality development programmes
- (h) Implementation of programmes for economic, social and spiritual development of families of detainees, persons who are in risk of being offenders and their families, released detainees and their families

2.2 Performance

2.2.1 Key Functions not performed adequately

The following observations are made.

- (a) Provisions have been imposed to issue community based corrections orders in terms of the Community Based Corrections Act, No.46 of 1999 for offenders who are convicted of an offence, for which imprisonment exceeding two years, in lieu of a sentence of imprisonment or a suspended sentence of imprisonment or a fine is imposed. Further, the Judicial Service Commission had been made aware of the non-implementation of community based corrections orders through the Judiciary, by the

Department of Community Based Corrections and Magistrates had been made aware of by issuing Circulars by the Judicial Service Commission. However, the Court had imposed fines or sentence of imprisonment even to offenders to whom community based corrections orders can be issued and as such, a number of 21,241 persons whose period of punishment is less than 02 years, had been sentenced to imprisonment in the year under review. These detainees represented 93 per cent of the total number of imprisoned detainees in the year under review and the sum spent for recurrent and capital expenditure by the prison per day in the year under review amounted to Rs.14,358,916.

- (b) If the community based corrections orders for imprisoned detainees had been made to issue, the cost incurred for detainees by the Department of Prisons and the congestion in prison could have been reduced. Further, there was a possibility of achieving benefits such as decline in reimprisonment of offenders due to providing trainings on self-employment for them and their families, socialization of those persons through a proper rehabilitation process and development of families and reduction of tendency for being misled again due to taking follow up action continuously after the process of corrections. Those benefits had been deprived of due to inability to have community based corrections orders issued.
- (c) Even though 680 vocational training programs and 991 spiritual development programmes had been planned for offenders by the Department for the year under review, the Court had not issued community based corrections orders in an adequate manner. As such, only 170 and 201 programmes had been actually implemented and the amount spent therefor had been Rs.10,766.

2.2.2 Annual Performance Report

In terms of Public Finance Circular No.402 of 12 September 2002, the Performance Report for the year under review should be tabled in Parliament within 150 days after the closer of the financial year by the Department. However, the said Report had not been tabled in Parliament even by 29 August 2018.

2.3 Utilization of Provisions made available by Parliament for the Performance of Functions

Information on provisions made for the Department during the period of 05 years ended 31 December 2017, utilization and savings thereof and audit observations thereon are given below.

Year	Type of Expenditure	Net Provision	Utilization	Savings	Savings as a percentage of the Net Provision
		Rs. Millions	Rs. Millions	Rs. Millions	
2013	Recurrent	41.34	32.04	9.30	22.49
	Capital	4.80	0.77	4.03	83.95
	Total	46.14	32.81	13.33	28.86

2014	Recurrent	36.62	32.99	3.63	9.91
	Capital	4.10	1.70	2.40	58.53
	Total	40.72	34.69	6.03	14.80
2015	Recurrent	38.50	36.03	2.47	6.41
	Capital	4.50	2.02	2.48	55.11
	Total	43.00	38.05	4.95	11.51
2016	Recurrent	44.69	43.68	1.01	2.26
	Capital	203.00	70.55	132.45	65.25
	Total	247.69	114.23	133.46	53.88
2017	Recurrent	50.16	48.28	1.88	3.75
	Capital	102.90	87.84	15.06	14.64
	Total	153.06	136.12	16.94	11.07

The following observations are made in the year under review.

Excess Provisions

Excess provision totalling Rs.6.7 million had been made for 08 Objects and as such the savings, after the utilization of provisions totalling Rs.3.8 million, ranged between 23 per cent and 99 per cent of the net provisions relating to the respective Objects.

2.4 Advances to Public Officers Account

Limits Authorized by Parliament

Limits authorized by Parliament for the Advances to Public Officers Account, Item No.32601 of the Department and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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Rs.Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
17.00	10.65	7.00	8.19	44.00	25.81

The following observation is made in this connection.

Non-recovery of outstanding Loan Balances

The loan balance recoverable as at 31 December 2017 from an officer who had been interdicted, amounted to Rs.131,020 and even though the said outstanding balance remained over a period of 05 years, the attention had not been paid by the Department to recover that outstanding balance.

2.5 Non-maintenance of Registers and Books

It was observed during audit test checks that the Department had not updated the following registers.

Type of Register	Relevant Regulation
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(a) Register of Fixed Assets	Treasury Circular No.842 of 19 December 1978
(b) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002

2.6 Non-compliance

Non-compliance with Laws, Rules and Regulations

In terms of Financial Regulation 237(b), payments should be made after certifying that the articles have been received. However, a sum of Rs.287,385 had been paid on 29 December 2017 to a private institution before supplying articles in purchasing brief cases valued at Rs.574,771 for Community Based Corrections Officers.

2.7 Internal Audit

An Internal Audit Unit had not been established in the Department and an internal audit had not been carried out even by the Internal Audit Unit of the Ministry in the year under review.

2.8 Human Resources Management

2.8.1 Approved Cadre, Actual Cadre and Expenditure on Personal Emoluments

The position on the approved cadre, actual cadre and vacancies as at 31 December 2017 for the performance of the functions mentioned in paragraph 2.1 above, appear below. The Department had spent a sum of Rs.230 million for the category of personal emoluments for the year under review.

Category of Employees -----		Approved Cadre -----	Actual Cadre -----	Vacancies -----
(i)	Senior Level	04	02	02
(ii)	Tertiary Level	124	108	16
(iii)	Secondary Level	468	398	70
(iv)	Primary Level	11	06	05
	Total	607	514	93
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Out of 607 approved cadre, 93 vacancies existed by 31 December 2017. Out of them, 80 per cent and 19 per cent posts of Senior Community Based Corrections Officers and Development Officers had been vacant, thus indicating a hindrance to administrative activities of the Department.