

Head 304 - Auditor General's report - Department of Meteorology - Year 2017

The Appropriation Account and the Reconciliation Statements under the Head and the Subject Code mentioned in the First and Third Schedules of the Appropriation Act No.24 of 2016 amended by the Appropriation (Amended) Act No. 32 of 2017 had been presented to audit by the Department of Meteorology. The Audit of the Financial and physical performance reflected by the said Accounts and Reconciliation Statements was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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

According to the Financial Regulation 124 of the Financial Regulation of the Democratic Socialist Republic of Sri Lanka, Generating of State Revenue and Collecting of Sums Receivable to the Government and the General Check on the Supervision of all activities of the State Funds were assigned to the Minister of Finance. As per the Financial Regulation 124 (2), Chief Accounting Officers were appointed by the Minister of Finance to accomplish the said responsibility. In accordance with the Financial Regulation (125) (1) (a), The Head of the Department is the Accounting Officer of the all money transactions of his Department and Revenue Accounting Officer had been appointed by the Treasury. This responsibility is included planning, implementing and conducting the internal controls relating to maintain, prepare and fair presentation of Accounts and Reconciliation Statements presented after performing their duties within the limitations enacted by the Parliament in accordance with article 148,149,150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Regulations, Government Financial Regulations and Administration Regulations.

1.3 Scope of Audit

The audit of the Department of Meteorology – Head 304 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 Director General of the Department on 28 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 test of samples of transactions. The scope and extent of such review and tests were such as to enable as wide audit coverage as possible within the limitations of staff, other resources and time available to me.

1.4 Audit Observations

The audit observations of the Department of Meteorology for the year ended 31 December 2017 revealed in audit appear in Management Audit Report in detail, 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 2.13 of this report. It was observed that accountability as the Chief Accounting Officer had been satisfactorily executed to ensure the adequacy of the Financial administration subject to the following summarized audit observation revealed in the execution of the provisions of the Financial regulation 128 of the Financial Regulations of the Democratic Socialist Republic Of Sri Lanka.

Financial Regulation 128 Accountability of Chief Accounting Officer	Non -compliance with the Direction of the Chief Accounting Officer/ Accounting Officer	Reference to the paragraphs of the report of which the observation included
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Financial Regulations 28 (1) (a)	The work of his department is planned and carried out with due dispatch, having regard to the policy laid down by the Government and the intentions of parliament in granting him financial provision for the activities authorized, and that an endeavor is made to complete the programme of work laid down for the year and/or to attain the targets specified.	i. Procurement activities not being planned adequately. 2.2.1 ii. Deficiencies in implementing procurement process 2.2.2 iii. Uneconomic Transactions 2.4 iv. Budgeted estimates not being prepared realistically. 2.6 v. Books and registers not being maintained. vi. Human Resources Management 2.9

128 (1) (c)	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 Compliance	2.10
128 (1) (d)	An adequate system of internal check for receipts, payments and issues is maintained and tested from time to time.	Deficiencies mentioned in the Advance to Public officers Account	2.7
128 (1) (e)	Adequate and proper arrangements are made for the safe custody and preservation of money, stores, equipment and other assets belonging to the Government, or is in its custody, and that these are verified from time to time and where they are disposed of, such disposal is according to prescribed Regulations and instructions.	Deficiencies in assets management	2.3 (b)
128 (1) (f)	Such information, statements and returns as are called for by the Chief Accounting Officer or the Treasury are rendered correctly and promptly.	Annual performance report not being prepared	2.1.1
128 (1) (g)	Returns showing the progress of collection of dues to Government are rendered regularly to the Chief Accounting Officer.	Deficiencies mentioned in the Appropriation Account	2.8

2. Material and Significant Audit observations

2.1 Performance

2.1.1 Annual Performance Report

According to the Public Finance Circular No. 402 dated 12 September 2002, the performance report relating to the year under review should be tabled in the Parliament within 10 days after the close of the financial year. However the said report had not been tabled in the Parliament even up to 20 July 2018.

2.2 Obtaining Supplies and Services through the Procurement Process

Provision of Rs. 27.8 Million had been made for obtaining supplies and services following the Government Procurement Procedure to the Department whilst a sum of Rs.26.48 Million had been utilized.

2.2.1 Procurement Planning

The following observations are made.

- a) Contrary to the Guideline 2.8.1 (a) of the Government Procurement Guideline, a Director of the Department of Meteorology had been appointed for the Chairman of the Evaluation Committee for the procurement for meteorology equipment, consumable items, stationary and office equipment and an alternative member of the Department Procurement Committee and Minor Procurement Committee at the beginning of the year 2017.
- b) According to the Guideline 2.11.1 (a) of the Government Procurement Guideline, the date, time and venue of each meeting to be held should be informed to the members early by the Secretaries to the Committees. However actions had not been taken accordingly.
- c) According to the Guideline 2.11.2 of the Government Procurement Guideline, member's attendance register should be maintained by the Secretary to the Committee for the recording purpose. However actions had not been taken accordingly.
- d) According to the Guideline 2.12 of the Government Procurement Guideline, statements which should be made by the members of procurement committee and technical evaluation committee had not been made.

- e) The procurement plan prepared by the Department for the year 2017 had not been approved by the Secretary to the Ministry and according to the Guideline 4.2.1 of the Government Procurement Guideline, a detailed procurement plan had not been prepared as per the such format.
- f) According to the Guideline 4.2.1 (e) of the Government Procurement Guideline, the Master Procurement plan should be updated regularly within a period not more than 6 months. However actions had not been taken accordingly.
- g) According to the procurement plan, renovation of the head office should be completed as at 30 November 2017. However those activities had not been completed even up to 28 February 2018.

2.2.2 Implementation of Procurement Process

a) Purchasing of 100 Automatic Rain Gauges

The following observations are made in connection with the procurement for automatic rain gauges valued at Rs. 37, 052,905 made by the Department during the year under review.

- i. According to the Guideline 3.2 of the Government Procurement Guideline, without being called bids on national competitive basis limited bids had been invited from local suppliers in accordance with the Guideline 3.3 of the Government Procurement Guideline. However information were not revealed relating to the criteria based for selection of the said methodology.
- ii. Although Procurement documents should be prepared after discussing about the specifications before inviting bids, specifications had been changed after publishing procurement documents.
- iii. The places to be installed the automatic rain gauges in river basins had not been decided after carrying out Spot examination before purchasing automatic rain gauges and it was observed that places had been decided to install after the purchasing made.
- iv. Although sealed quotations should be taken over as per the procurement notice and paragraph 8.3 of the instructions to bidders, it was observed that quotations submitted had not been sealed and attention of the bid opening committee had not been paid in this regard.
- v. Although it had been reported in the technical evaluation committee report that the competitive institutes had been informed to correct deficiencies of the bids on 21

December 2017, without considering those deficiencies, approval had been granted for purchasing 100 automatic rain gauges by the Department Procurement Committee held on 22 December 2017.

- vi. A supplier had been selected without having written certifications relating to the experience for supplying of automatic rain gauges as mentioned in the paragraph 2.1 of the instructions to bidders submitted to bidders and bid invitation documents. Further an agreement had not been signed with the contractor even up to 14 June 2018 as per the paragraph 7.3 of the bid invitation documents.
- vii. According to the general condition paragraph 11.1 mentioned in bid invitation documents supply of goods should be completed as at 31 December 2017. However any rain gauge had not been supplied as at that date.
- viii. According to the general condition paragraph 2.2 of bidding documents, 60 per cent of the value could be paid after receiving rain gauges to the Department whilst it was observed as per the documents that a request had been made by the Director General on 28 December 2017 from the Secretary to the Ministry to pay the total amount of Rs. 37,052,905 in a ground of rain gauges were not received to the Department.

b) Purchasing of Meteorology Equipment

According to the instructions mentioned in procurement documents, information relating to qualifications, pre performance and financial position had not been submitted by the suppliers for purchasing meteorology equipment valued at Rs.5,730,963 and the procurement committee had not considered the absence of those information.

2.3 Assets Management

The following deficiencies were observed in the sample audit test carried out in respect of the assets of the Department.

a) vehicle Utilization

There were 8 vehicles belonging to the Department as at the end of the year under review and the distance driven was 116, 425 kilometers. A total sum of Rs.3,208,475 had been incurred during the year under review for maintenance of motor vehicles including Rs.1,436,601 and Rs. 802,910 for fuel and lubrication and repairs respectively. Accordingly the Department had spent Rs. 28 per kilometer for running vehicles except salaries and allowances for drivers.

b) **Using Assets belonging to Other Institutes Irregularly**

Actions had not been taken to transfer the legal right of the lands of which 12 regional offices of the department were maintained in the premises of other institutes.

2.4 Uneconomic Transactions

Doppler radar System

As per a budget proposal in the year 2006, the government had decided to invest a sum of Rs. 400 Million in maximum for installation of Doppler radar system. A sum of Rs. 320 Million had been deposited in the Trustee Fund of the World Meteorological Association by the Sri Lankan government as at the end of the years 2007 and 2008 for purchasing this machine. Further the Department had entered in to an agreement with the Central engineering Consultancy Bureau on 12 March 2010 to construct a tower 23 meters in height and access road in a length of 50 meters at a cost of Rs. 60,452,000 in Deniyaya area. Although the radar system which had been received to the country in the year 2011 had been installed in the year 2014, it was out of order due to remaining idle in the stores over a long period of time. The supplier had agreed to repair the radar system using the sum of US\$.1, 063,946 which was saved in the Trustee Fund of the World Meteorological Association as at 25 April 2018. Accordingly parts of the machine had been loaded to the manufacturing company of the United States for the repairs on 21 April 2017 and an additional cost of Rs.5,644,398 had been incurred in this regard. However it had not been received back to the Department even up to 30 July 2018.

2.5 Management Inefficiencies

Although 37 automatic meteorology Centers had been installed throughout the Island, it was observed that Meteorological data had been received to the head office of the Department only from 15 centers. Further there were 521 rain fall measurement Centers throughout the Island and information had not been received continuously from 35 centers during the year 2017.

2.6 Utilization of Provisions made by the Parliament to Accomplish Duties

Details relating to the provisions made to the Department, utilization and savings for the period of 5 years ended 31 December 2017 and the audit observations in this regard are given below.

Year	Expenditure Category	Net Provision	Utilization	Savings	Savings as a percentage of Net Provision
		Rs.Million	Rs. Million	Rs. Million	%
2013	Recurrent	180.65	180.00	0.65	0.35
	Capital	69.28	67.14	2.14	0.39
	Total	249.93	247.14	2.79	1.12
2014	Recurrent	206.73	206.53	0.20	0.09
	Capital	83.79	72.91	10.88	12.98
	Total	290.52	279.44	11.08	3.81
2015	Recurrent	255.18	248.53	6.65	2.62
	Capital	348.00	111.53	236.47	67.95
	Total	603.18	360.06	243.12	40.30
2016	Recurrent	268.30	256.09	12.21	4.55
	Capital	73.20	50.78	22.42	30.62
	Total	341.50	306.87	34.63	10.14
2017	Recurrent	260.88	254.98	5.90	2.26
	Capital	62.50	49.52	12.98	20.76
	Total	323.38	304.50	18.88	5.84

Appropriation Account

Provision relating to 3 capital expenditure items amounting to Rs. 12,047,525 in a range of 26 per cent to 92 per cent had been saved as a result of making provisions without having proper study.

2.7 Advances to Public Officers Account

Limitations imposed by the Parliament

Limitations imposed by the Parliament for the Advances to Public Officers Account under the Subject Code 30401 relating to the Department and the actual values are given below.

Expenditure		Receiving		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
12.00	9.22	8.00	9.05	55.00	29.76

Non-Recovering of Outstanding Balances

According to the reconciliation statements presented to audit, the total of outstanding balances of 2 officers who had vacated their posts was Rs. 143,072 Million. Even though those balances had remained over a period over 5 years, follow up actions to recover those outstanding balances were in a feeble condition.

2.8 General Deposit Account

The total of the balances of 4 general deposit accounts under the Department as at 31 December 2017 was Rs. 8.99 Million and according to the Financial Regulation 571, actions had not been taken in respect of 43 deposits aggregating Rs.225, 872 which had remained more than 2 years.

2.9 Non –maintaining of Books and Records

It was observed in sample audits that the following registers had not been maintained by the Department and certain registers had not been maintained properly.

Type of the Register	Relevant Regulation	Observations
a) Fixed Assets Register	Treasury Circular No.842 dated 19 December 1978 and Chapter 11 of the Financial Regulation 502 (2)	The fixed assets register had not been maintained properly
b) Record of Liabilities	Financial Regulation 214	Not being maintained
c) Security Register	Financial Regulation 891 (1)	Not being maintained
d) Register of lists of vehicles	Financial Regulation 1647 (e)	Not being maintained

2.10 Non Compliance

2.10.1 Non Compliance with Laws Rules and Regulations

According to the Guidelines of world meteorology Association, enclosure of meteorological center should be installed 25x25 meters in extent. However the enclosure of the center of Gall city 12x9 in extent and the center of Hambanthota City 16x12 in extent had been installed.

2.11 Human Resources Management

2.11.1 Approved Cadre, Actual Cadre and Expenses for Personal Remuneration

Details relating to the approved cadre, actual cadre and the surplus staff for performing functions of the Department are given below. A sum of Rs202, 999,636 Million had been incurred by the Department for personal emoluments for the year under review.

Employees Category	Approve cadre	Actual Cadre	Vacancies
(i) Senior Level	54	43	11
(ii) Tertiary Level	29	09	20
(iii) Secondary Level	238	201	37
(iv) Primary Level	139	129	10
Total	<u>460</u>	<u>382</u>	<u>78</u>