

Head 201 - Report of the Auditor General on the Department of Buddhist Affairs 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 Buddhist Affairs. The financial and physical performance reflected by the said accounts and the reconciliation statement 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 Buddhist Affairs – Head 201 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 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 material and significant audit observations out of the audit observations of the Department of Buddhist Affairs for the year ended 31 December 2017 revealed in audit, appear from paragraph 2.2 to 2.6 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(I)(a)	That 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 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. Non-achievement of sustainable development goals 2. Excess provisions 3. Non-maintenance of registers and books 4. Observations for the General Deposit Account	2.1.2 2.4 2.5 2.6
128(I)(b)	That the organization for financial control and accounting in his department is effective, and provides adequately for the correct ascertainment, where necessary, of dues to Government, the systematic, complete and prompt collection of dues, and bringing to account of monies received, the authorisation of commitments on behalf of the Government, the supervision and examination of services and supplies rendered, and the prompt and correct payment therefor from public funds;	Weaknesses in rendering services to the Public.	2.3

128(I)(e)	That 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	2.2
128(I)(i)	That the activities of his department are undertaken with due regard to economy, efficiency, propriety and integrity expected in the transaction of public business; (In this context, economy means not merely keeping within the Estimates; but also ensuring that the Government receives best value for money expended.)	Projects without progress even though funds had been released	2.1.1

2. Material and Significant Audit Observations

2.1 Performance

2.1.1 Projects without Progress despite the release of Money

Constructions of an official residence for the Commissioner of Buddhist Affairs had been commenced in the year 2015. The estimated expenditure therefor amounted to Rs.14,348,792 and 98 per cent of that representing Rs.14 million had been paid to the Department of Buildings in three instances. Even though progress reports had been obtained for a sum of Rs.5.6 million, Work Done Reports on constructions had not been obtained. This purpose had not been completed even by the end of the year under review.

2.1.2 Achievement of Sustainable Development Goals

Every Government institution should act in terms of the “Year 2030 Agenda of the United Nations on Sustainable Development” and the Department should be made aware of the manner in performing the functions that come under its scope relating to the year under review. However, such awareness had not been made. As such, action had not been taken relating to the said functions to identify sustainable development goals, targets and the focal points in achieving those targets and the indicators in evaluating the performance in achieving those targets.

2.2 Assets Management

(a) Non-use of Assets owned by the Government with maximum Efficiency

Repairs of the building belonging to the Department of Buddhist Affairs located on the premises of the Ministry of Buddha Sasana had been commenced in the year 2013 and an expenditure of Rs.9,927,887 had been incurred therefor during a period of 5 years up to the year 2017. Even though a part of it had been temporarily used, using the building after completion of works for productive activities had failed even up to 31 July 2018.

(b) Failure in testing Fuel Consumption

(a) In terms of paragraph 3.1 of Public Administration Circular No.30/2016 dated 29 December 2016 relating to maintenance of Government vehicles, a fuel consumption test should be repeated after the first instance out of the instances within a period of 12 months after every fuel consumption test or after running a distance of 25,000 kilometres or a major repair relating to the engine. However, the fuel consumption test had not been carried out for 06 motor vehicles of the Department.

2.3 Management Weaknesses

Rendering of Service to the Public

In terms of Ministry of Public Administration and Home Affairs Circular Nos.05/2008 and 05/2008(I) of 06 February 2008 and 24 January 2018 respectively, all Government institutions should prepare and implement the Citizenship Charter. However, action had not been taken by the Department to prepare and implement the Citizenship Charter.

2.4 Utilization of Provisions made available by Parliament for Performance of Functions

Details on provisions made for the Department during a period of 05 years ended 31 December 2017, utilization and savings thereof appear below.

Year	Type of Expenditure	Net Provisions	Utilization	Savings	Savings as a Percentage of Net Provisions
		Rs.Millions	Rs.Millions	Rs.Millions	
2013	Recurrent	598.77	578.05	20.72	3.46
	Capital	116.60	103.89	12.71	10.90
	Total	715.37	681.94	33.43	4.67
2014	Recurrent	766.42	740.72	25.70	3.35
	Capital	80.05	73.41	6.64	8.29
	Total	846.47	814.13	32.34	3.82

2015	Recurrent	962.76	928.63	34.13	3.54
	Capital	93.75	85.55	8.20	8.75
	Total	1,056.51	1,014.18	42.33	4.00
2016	Recurrent	1,216.49	1,102.16	114.33	9.39
	Capital	48.27	44.27	4.00	8.29
	Total	1,264.76	1,146.43	118.33	9.35
2017	Recurrent	1,287.89	1,113.55	174.34	13.54
	Capital	55.45	50.57	4.88	8.88
	Total	1,343.34	1,164.12	179.22	13.34

Excess Provisions

Excess provisions had been made for 09 Objects and as such the savings, after the utilization of provisions ranged between 15 per cent and 74 per cent of the net provisions relating to those Objects.

2.5 Non-maintenance of Registers and Books

Register on Liabilities had not been properly maintained in terms of Financial Regulation 214 and the Appropriation (Vote) Ledger as well had not been properly maintained.

2.6 General Deposit Accounts

The balance as at 31 December 2017 of a General Deposit Account under the Department was Rs.7.43 million. The following observation is made in this connection.

Security Deposit Account 6000-0-0-1-36

The current account bearing No.0002323299 of Bank of Ceylon had been closed and the balance of Rs.6,832,155 as at 31 December 2017 had been transferred to Security Deposit Account bearing No.6000-0-0-1-36. This current account had been used for the purpose of depositing monies as security deposits in appointing Basnayake Nilames of the Dewales throughout the island and the income from annual interest on fixed deposits maintained in the National Savings Bank as well had been collected in this account. Action had not been taken either to consult the guarantor and to repay this amount or to credit to the Government revenue.

2.7 Human Resources Management

Approved Cadre, Actual Cadre and Expenditure on Personal Emoluments

The position on the approved cadre, actual cadre and vacancies as at 31 December 2017 appears below. A sum of Rs.349 million had been spent for the Category of Personal Emoluments for the Department for the year under review. Accordingly, the Per Capita Expenditure had been Rs.481,379.

	Category of Employees	Approved Cadre	Actual Cadre	Vacancies
(i)	Senior Level	12	11	01
(ii)	Tertiary Level	01	-	01
(iii)	Secondary Level	776	680	96
(iv)	Primary Level	36	29	07
(v)	Casual/Contract	08	05	03
Total		833	725	108