

Geological Survey and Mines Bureau - 2018

1.1 Qualified Opinion

The audit of the financial statements of the Geological Survey and Mines Bureau for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in conjunction with provisions of the National Audit Act No.19 of 2018 and Finance Act No.38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Bureau as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bureau's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bureau's financial reporting process.

As per Sub-Section 16(1) of the National Audit Act No.19 of 2018, the Bureau is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Institute.

1.4 Auditor's responsibility for financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bureau's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following:

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Bureau and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Bureau has complied with applicable written law, or other general or special directions issued by the governing body of the Institute.
- Whether the Bureau has performed according to its powers, functions and duties; and
- Whether the resources of the Institute had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Financial Statements

1.5.1 Internal Control over the preparation of financial statements

The Bureau is required to “devise and maintain” a system of internal accounting controls, sufficient to provide reasonable assurance that, transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards, and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

1.5.2 Non-compliance with Sri Lanka Public Sector Accounting Standards

Non-compliance with reference to relevant standards	Management’s Comment	Recommendation
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(a) In contrary to the Sri Lanka Public Sector Accounting Standard 02, differed revenue of Rs.3,003,451, adjustable to the profit under operating activities and adjustments relating to the royalty totalling Rs.2,221,194,662 had not been made. Payment of gratuities amounting to Rs.1,958,859 need to be stated as cash outflows under the operating activities had been added to the cash flow. Difference of Rs.1,942,806 between the payments of Rs.5,514,806 to the disaster fund to be stated under investing activities and refunds from that fund amounting to Rs.3,572,000	The amount stated as royalty under the port city project is not a cash transaction and therefore it has not been applied to the cash flow statement. Differed revenue adjustments was shown under financing activities as per instructions given before. Gratuity amount of Rs.1,958,859 included under gratuity payments was shown under financing activities as cash outflows but it will be shown under operating activities in future. The royalty of Rs.1,700,000,000	Action needs to be taken in accordance with the provisions of standard.

without making any adjustments and the Treasury remittances of Rs.1,500,000,000 and the royalty of Rs.2,221,194,662 had been shown as financing activities. Furthermore, adjustments of property, plant and equipment amounting to Rs.148,899,366, which was not a cash investment had been shown under investing activities. As a result, of these erroneous adjustments, the cash flow statement presented along with the financial statements was not in an acceptable level.

paid to the Treasury had included a sum of Rs.200,000,000 paid for the year 2019 as well and a sum of Rs.1,500,000,000 therefore was adjusted under financing activities. That amount and Rs.148,899,366 will be adjusted under operating activities in future years. The amount of Rs.5,514,806 is not an investment but an amount transferred to the welfare activities out of the incentives payable to employees. The refunds of Rs.3,572,000 and Rs.5,514,806 had also been adjusted under financing activities.

- (b) Twenty eight cases against the Bureau by external parties and 18 cases against external parties by the Bureau had been prosecuted by 31 December of the year under review but contingencies in terms of Sri Lanka Public Sector Accounting Standard 8 had not been disclosed in the financial statements.

By considering only cases prosecuted against the Bureau by external parties which cause financial impact have been disclosed.

Action need to be taken in accordance with the provisions in the standard.

1.5.3 Accounting Policies

----- Audit observation -----	----- Management's Comment -----	----- Recommendation -----
<p>Even though the Bureau has prepared financial statements on accrual basis, royalty income totalling Rs.4,336,254,836 had been recognized and accounted on cash basis. In terms of paragraphs 34(b) and 37 of Sri Lanka Public Sector Accounting Standard 10, action has not been taken to recognise accrued revenue and the accounting police applied for the recognition of royalty income had not been disclosed in the financial statements as per paragraph 39(a) of the Standard.</p>	<p>Royalty income had not been accounted on cash basis. Income and expenditure are accounted on accrual basis. However, as there are weaknesses in the recognition of the method of royalty revenue the receivable royalty money could not be established.</p>	<p>Action needs to be taken as per the provisions of the relevant accounting standard in respect of the recognition and disclosure of revenue of the Bureau.</p>

1.5.4 Accounting Deficiencies

Audit Observation	Management's Comment	Recommendation
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(a) Royalty payment of Rs.200,000,000 made to the Treasury, needs to be stated as an expense of the year under review had been shown as a pre-paid expense on a management's decision. As a result, the year's profit was overstated by that amount.	According to the decision of the Board of Directors and the note of the Accounting Officer, out of the amount paid to the General Treasury in the year under review, a sum of Rs.200,000,000 had been treated as an expense of the year 2019.	Expenditure related to the year needs to be recognised as an expense of that year itself.
(b) The balance money of Rs.10,703,148, after incurring of expenditure from money received from a foreign university for the maintenance of Tsunami Communication Centre at Pallekele had been shown as a current liability, despite there is no specific liability to refund it.	This money of Rs.10,703,148 received for incurring sudden expenses of Tsunami equipment as an advance. It had been shown as a current liability since previous years.	In this regard, a correct accounting policy needs to be determined, account and disclose in the financial statements accordingly.
(c) The balance of Rs.30,052,605 in a Welfare Fund not belongs to the Bureau and the related fixed deposit balance of Rs.31,731,928 had been shown in the financial statements as a liability and as assets respectively. The interest on that fixed deposit amounting to Rs.1,751,819 had been accounted as a revenue of the Bureau.	As discussed at the meetings of the Audit and Management Committees, this is not a fund but only an amount recovered from relevant officers.	If it is maintained only as a Treasury approved fund, it needs to be included in the accounts of the Bureau.

1.5.5 Consolidation

Audit observation	Management's Comment	Recommendation
Even though 66 per cent of the total shareholdings of the GSMB Technology Services Ltd. belongs to the Bureau financial statements of that company had not been consolidated with the financial statements of the Bureau and submitted the consolidated financial statements.	Matters which were unable to consolidated the financial statements of the GSMB Technology Service Ltd. with the financial statements of the Bureau are disclosed in the final accounts statements	As 66 per cent of shareholdings belongs to the Bureau, by resolving legal matters soon, consolidated financial statements need to be prepared.

1.5.6 Lack of Written Evidence for Audit

Item	Amount	Audit evidence not made available	Management's Comment	Recommendation
	Rs.			
Income Tax	32,617,607	Confirmations relating to the payment of withholding taxes being deducted as tax credits in the computation of income tax.	Action will be taken to submit all documents in a manner confirms the withholding tax by obtaining from all banks which transact with the Bureau.	Action needs to be taken to submit substantive confirmations related to withholding taxes for audit.

1.6 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations etc.	Non-compliance	Management's Comment	Recommendation
(a) Mines and Minerals Act No.33 of 1992.			
(i) Section 26(1) and 44(b)	1 Even though, the royalties recovered by the Bureau on behalf of the Government need to be remitted to the Treasury, out of the royalties recovered during the year under review totalling Rs.4,326,254,835, a sum of	The Bureau performs it duties in compliance with the Mines and Minerals Act. Under this, the Bureau can maintain funds and have the authority to settle its	Action needs to be taken to remit royalties to the Treasury. Specific Treasury approval needs to be obtained to operate funds.

		Rs.605,060,173 had been retained without being remitted to the Treasury. Royalties so retained by the Bureau during the past 4 years totalled Rs.1,530,541,421.	expenses out of those funds. However, the Bureau remits surplus funds to the Treasury every year.	
		2 Royalties totalling Rs.1,906,320 recoverable for 31,772 cubes of granitic excavated by 4 licence holders within the Angunakolapelessa Divisional Secretariat area in excess of the authorized limit had not been recovered.	Action will be taken to recover the relevant money after being inquired about this.	Recoverability process of royalties needs to be carried out in accordance with a proper system and efficiently.
(ii)	Section 28(4)	A methodology for issuing licenses for the transport of granite products has not been formulated.	A methodology to issue licenses for the transport of granite products is being formulated by now.	In order to prevent illegal transport of granite, methodology to issue licenses needs to be set up.
(iii)	Section 52(2) and order No.21(a) of mines and excavating as amended by gazette notification No.958 of 10 January 1997.	Bank guarantees totalling Rs.101,955,175 obtained from 874 Industrial excavating licence holders who did not take action to rehabilitate lands within the periods 3 months to 5 years and encashed had been shown in the accounts as a payable balance.	Action has been taken to acquire the bank guarantees kept in the Bureau in respect of holes not rehabilitated by now and a procedure is being formulated to take legal action against them.	Rehabilitation needs to be done as per statutory provisions.
(iv)	Mines and excavating order No.33(4) as amended by the gazette notification No.958 of 10 January 1997.	Necessary steps had not been taken to make well-timed amendments to the procedure in respect of the fixed market value of mines products, exempted deductions and the payment of royalties being presented recommendations to the Secretary.	Necessary steps are being taken to make necessary amendments.	Action needs to be taken in accordance with the provisions in the Act.

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| (b) | Paragraph 6.2(a) of part II of the payment of Gratuities Act No.12 of 1983. | In terms of the Act, gratuities needs to be calculated on ½ month's salary. However, as gratuity had been calculated on the monthly salary basis, an overpayment of Rs.7,296,846 had been made to 18 officers and an over provision of gratuities amounting to Rs.81,445,551 had also been made. Action had also not been taken to recover the overpaid amount of Rs.6,317,415 as informed by the Director General of Public Enterprises. | Relevant payments had been made in terms of the Gratuities Act and an overpayment had not been made. | Action needs to be taken to recover the overpaid amounts and pay gratuities in terms of provisions in the Act and the order of the Director General of Public Enterprises. |
| (c) | Financial Regulations of the Democratic Socialist Republic of Sri Lanka. | | | |
| (i) | Financial Regulation 371(2) | Without obtaining the Treasury approval, 15 sub-impressts from Rs.35,000 to Rs.165,000 totalling Rs.1,035,000 and 15 fuel advances from Rs.40,000 to Rs.105,000 totalling Rs.890,000 had been given to Regional Offices. | Action will be taken to obtain the Treasury approval for imprest limits in due course. | Action needs to be taken in accordance with financial regulations. |
| (ii) | Financial Regulation 371 (5) | 1. Without taking action to settle unsettled sub-impressts totalling Rs.10,271,083 as at the end of the year under review a sum of Rs.9,070,105 as trade and other receivable balances and a sum of Rs.1,200,978 as cash and cash equivalent assets had been brought to accounts. | Instructions have been issued to settle sub-impressts given to Regional Officers in full by the end of the year. | Action needs to be taken to settle all sub-impressts as at the end of the year. |
| | | 2. An advance of Rs.1,500,000 given to a former chairman of the Bureau in the year 2014 | Not replied | Action needs to be taken to settle all sub-impressts as at the end of the year. |

had not been settled by the end of the year under review and the information to ensure whether the expected purpose for which it was given has been achieved was not made available to audit.

(iii)	Financial Regulation 760 and 757(2)	The Board of Survey had identified shortages of 864 units relating to 88 categories of drilling equipment and the Board of Survey, including the officers use such equipment had recommended to dispose of these units of equipment. Action in terms of Financial Regulation in respect of these shortages had not been taken.	Not replied.	Board of Surveys need to be carried out by independent boards and action should be taken in respect of shortages in accordance with Financial Regulations.
(d)	Public Enterprises Circular No.PED/12 of 02 June 2003	(i) Paragraph 8.3.3 Even though, the maximum incentives/ bonus is 2 months gross salary, an incentive allowance equal to 9.6 months salary had been paid to the employees in the contrary without Treasury approval.	The bonus, not the incentive is stated in the circular No.PED/12.	Incentives need to be paid in terms of circular instructions.
	(ii) Paragraph 6.5.3	Annual reports for the years 2015 to 2017 had not been tabled in Parliament even up to 30 April 2019.	Annual reports for the years 2015 and 2016 were referred to the Ministry by now.	Action needs to be taken in terms of circular instructions.
(e)	Public Enterprises Circular No.PED/17 of 28 October 2003	Without the Treasury approval, 19 officers have been participated in 4 foreign tours by the Bureau.	The Bureau had obtained the relevant approvals.	Action needs to be taken in this regard with the specific approval as per circular instructions.
(f)	Public Enterprises Circular No.PED/57 of 11 February 2011.	Despite, the financial provisions is not made in the annual budget for corporate social	Corporate social responsibility expenses are	Action needs to be taken in terms of circular instructions.

responsibility 2018 programmes included in other (CSR), without even an expenses. In the acceptable estimate, a sum of report presented by Rs.4,500,000 had been paid for the spot inspection the construction of the roof of committee officers the Rangiri Ullpotha Rajamaha the amount to be Vihara at Gomarankadawala, incurred is stated as Trincomale with the approval of Rs.46 million. the Minister of Finance.

1.7 Non-compliance with tax regulations

Audit observation	Management's Comment	Recommendation
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Even though, the Bureau had committed income tax liability since 11 April 2018, the tax liability had been overstated by Rs.22,459,000 in the financial statements as tax computation was done since January 2018. Similarly, in the calculation of tax liability for the year under review, differed tax had not been considered and the adjustments relating thereto had not been made in the financial statements as well.	The Department of Inland Revenue has informed that all expenses related to tax need to be accounted in the calculation of the year's tax and then allow to deduct. Therefore, there was no overstatement of tax. Differed tax liability had been taken into consideration	Action needs to be taken to calculate income tax in accordance with the Inland Revenue Act.

2. Financial Review

2.1 Financial Results

Financial Results of the year under review had been a surplus of Rs.391,019,540 as compared with the surplus of Rs.686,578,905 in the financial result of the preceding year. Accordingly, a deterioration of Rs.295,559,365 in the financial result was observed. Decrease of royalty and licence fees by Rs.289,770,482 and Rs.93,639,019 respectively had mainly attributed to this deterioration.

3. Operating Review

3.1 Uneconomic Transactions

Audit Observation	Management's Comment	Recommendation
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(a) When travelling to India on an official tour by the Chairman, instead of travelling by economy class he travelled by business class by incurring an additional expense of Rs.52,800 on air tickets.	Find it and inform later	Action needs to be taken to recover the overpaid amount.
(b) The Chairman had participated in one day discussion held in the United Kingdom and combined allowances and incidental allowances had been paid for 7 days. As such an overpayment of Rs.375,100 for 4 days had been made.	In considering the time of return flight, allowances were paid for 7 days.	Over payment need to be recovered.
(c) When a purification water system is installed at Mihindu Aranya Senasana in Anuradhapura by incurring an expenditure of Rs.1,851,920, a sum of Rs.6,500 had been spent for a plaque. Despite that, an additional expenditure of Rs.775,000 had been spent for the supply, transport and install a naturel stone plate commemoration plaque from Mahagama area and the treasury approval thereon had not been obtained.	The approval of the Minister of Finance had been obtained for the total expenditure of Rs.25 million including the expenses for the installation of a natural stone plate for the opening of water system.	Expenses need to be incurred only on the necessary expenses with formal approval.

3.2 Management Inefficiencies

Audit Observation	Management's Comment	Recommendation
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(a) Even though the powers for the enforcement of the Mines and Minerals Act No.33 of 1992 is vested in the Bureau, the Bureau has failed to formulate a methodology requires for taking legal action against the violations of Act.	A flying squad division is established and attached to the Legal Division of the Bureau now. Legal action has been taken relating to the raids carried out on violations of law. The Department of Police has reported that raids have been carried out for more than 9000 violations in the year 2018 and prosecuted.	Action needs to be taken to set up methodologies, enabling to take. Legal action against the violation of Act.
(b) As informed by the Cabinet of Ministers on 22 May 2017, steps had not been taken to formulate a national policy on mineral resources and to get the approval thereon even up to the date of audit.	As informed by the Cabinet of Ministers, a national policy on mineral resources has been formulated and referred it to the Ministry by now.	Action to be taken in accordance with the cabinet decision.
(c) According to the decision No.අමප/17/0629/704/011 dated 05 April 2018 of the Cabinet of Ministers, quart needs to be exported only after being added value at a maximum level. However, the excavated quartz on excavating licences issued to 29 persons in 9 districts is being exported without doing any value addition. Similarly, from 3 licenses issued to excavate quartz at Kotikambokka area in Wellawaya, 10,914 cubes of quartz had been	In terms of the decision of the Cabinet of Ministers, export of quart mineral is not permitted without value addition. Excavating licence holders do not export quartz and the exporters hold trade licences buy quartz and export after value addition in terms of mineral investment agreement. Quartz excavated on a license issued to a person at Kotikambokka area in Wellawaya has sold the quartz to the export company and the royalty in accordance with the Mines and Minerals Act has been recovered and exported.	Action needs to be taken in accordance with the cabinet decision

excavated in excess of the excavatable quantity. The royalty recoverable from 22,094 cubes of quartz excavated from a land belongs to the Department of Forest Conservation and an adjoining land had not been recovered from the relevant licence holders.

(d) Any course of action had not been taken against the excavators who excavated sand in the Yanoya sand deposit in breaching conditions stated in the excavating licenses. Royalty of Rs.26,876,200 in respect of 1,343,810 cubes of soil used for the construction of Yanoya tank project and a sum of Rs.543,490 for 3,397 cubes of sand totalling Rs.27,419,690 had not been recovered from the relevant construction company.

Bank guarantees relating to the sand removal licenses had been obtained for the excavated land reclamation. In this regard, action needs to be taken relating to this excavated land reclamation is made aware at a meeting held with the participation of related entities headed by the District Secretary. Action had already been taken to recover the royalty for the bricks and sand use for the yanoya tank construction project.

Action needs to be taken against the license holders who breached license conditions and to recover outstanding royalties.

3.3 Operating Inefficiencies

Audit Observation

(a) A scientific method for the calculation of the quantity of excavated granite is not followed. The royalty has been calculated based on an internal circular issued in the year 2011, considered the market price as Rs.1,500. but action had not been taken to revise this market price to suit for the current situation. Certain deficiencies

Management's Comment

By now, a technological methodology is being formulated by obtaining the instructions of the University of Moratuwa in order to determine the number of cubes removed after being excavated all mineral excavating including granite. Not replied for other issues.

Recommendation

Steps need to be taken include, update market price, recover royalty on the quantity actually excavated, take legal action against breach of conditions of license restore environment.

observed include; excavate to the depth of the earth by violating conditions of granite excavating licenses, non-reclamation of land after excavation, excavate without licenses, non-obtaining a security bond or money for the environmental restoration, action not taken to obtain approval from relevant authorities, non-recovery of royalty on the quantity actually excavated etc. Action had not been taken in respect of these issues.

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| <p>(b) Performance based incentive scheme had not got approved. Even though, incentives need to be paid based on the income of mineral explorations, incentives totalling Rs.110,166,984 had been paid based on the field inspection income of Rs.12,678,745 and test blast income of Rs.5,487,000 as well. Incentives totalling Rs.9,588,514 had been paid to 99 employees attached to the Bureau from the GSMB Technological Services Company as well.</p> | <p>Field inspection income taken as an income of the year 2017 is not an income only for issuing licenses but it is also in a minerals exploration income. Accordingly, the test blast charge is also for an exploration task.</p> | <p>In paying incentives only the approved income needs to be taken into consideration and payments be made on the Treasury approval.</p> |
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3.4 Idle or underutilized property, Plant and Equipment

Audit observation	Management's Comment	Recommendation
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<p>An electronic distance measuring equipment purchased in the year 2016 at Rs.795,000 for the measurement of the capacity of mineral deposits had remained idle for 2 years.</p>	<p>Find it and take necessary action.</p>	<p>Assets need to be utilized effectively.</p>

3.5 Procurement Management

Audit observation

Procurements of non-capital goods and services were not included in the procurement plan and it had not been prepared in conformity with the annual budget. The Procurement Plan had not been approved by the Board of Directors and a procurement time table was also not prepared. In excess of this unapproved procurement plan 94 computers, 77 printers, 48 laptop computers had been purchased being incurred a total sum of Rs.18,027,184.

Management's Comment

Procurements of non-capital goods and services have been included in the procurement plan since the year 2019. Computers need to be purchased in order to provide more efficient services to general public during the year 2018. Printers have been purchased on the service requirement and the decrease of unit cost comparatively. Laptop computers have been purchased for officers newly recruited in the year 2018 and to get the service of officers engaged in field work done efficiently.

Recommendation

Procurement Plan needs to be prepared including all procurements in detail and procurements need to be carried out accordingly.

3.6 Human Resources Management

Audit Observation

- (a) For 25 posts, 248 employees on contract basis and job assignment basis had been recruited without getting the relevant approval, out of which 17 posts were not within the approved cadre.
- (b) Action had not been taken to fill the vacancies of 87 existed in the Bureau by the end of the year under review. Eleven vacancies relating to 8 approved posts in the Geological Division had existed. Basic qualifications for the officers recruited for the post of excavating

Management's Comment

Applications have been called for to fill the posts of Geologist and the Geophysicist by now. Recruitments on contract basis had to be done on emergency requirements with the approval of the Board of Directors.

A considerable period of time had elapsed after being held interviews. This delay had unjustified to the officers awaited internal promotions. Accordingly, giving their appointments with effect from the date of interview had given some reliefs to them. As these employees

Recommendation

Recruitments need to be made in accordance with the approval cadre plan.

Vacancies be filled immediately, employees need to be recruited only on the approval of the Treasury and officers fulfilled necessary qualifications.

Engineer and the post of Cartographer were not available. Even though, the appointments of 11 permanent employees had been antedated, reasons therefor were not observed and there were instances that antedated to a date prior to the date of approval of the Board of Directors. In addition, despite the vacancies of 2 Registrars posts, 32 Management Assistants posts, 4 Excavating Engineers posts existed in excess of the approved cadre of the Bureau, 20 employees had been recruited on contract basis.

were in the internal service, appointments are given with effect from that date and this method is applied in such occasions from the inception of the Bureau. As there was a requirement of the Bureau for those posts recruitments were made on contract basis.

(c) In terms of Public Administration Circular No.12/2000 dated 19 July 2000, trainees should not be assigned for responsible duties. Nevertheless, 149 trainees had been employed on official duties in Head Office and Regional Offices.

Certain responsibilities need to be assigned to non-permanent employees as well due to non-availability of a sufficient number of permanent staff. This position may be eluded, once the permanent cadre is increased.

Action needs to be taken as per circular provisions.