

## **Head-194- Ministry of Telecommunication and Digital Infrastructure**

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### **1. Financial Statements**

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#### **1.1 Qualified Opinion**

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The audit of the financial statements of the Ministry of Telecommunication and Digital Infrastructure for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended, 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 read in conjunction with provisions of the National Audit Act No. 19 of 2018. The summary report containing my comments and observations on the financial statements of the Ministry of Telecommunication and Digital Infrastructure was issued to the Chief Accounting Officers on 31 May 2019 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report relevant to the Ministry of Telecommunication and Digital Infrastructure was issued to the Chief Accounting Officer on 31 May 2018 in terms of Section 11 (2) of the National Audit Act No. 19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Ministry of Telecommunication and Digital Infrastructure as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### **1.2 Basis for Qualified Opinion**

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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 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements**

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The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 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.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Ministry 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.

In terms of Sub-section 38 (1)(C) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

#### **1.4 Auditor's Responsibilities for the Audit of the Financial Statements**

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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 Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.

I communicate with the Chief Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### **1.5 Report on Other Legal and Regulatory Requirements**

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I express the following matters in accordance with Section 6 (d) and Section 38 of National Audit Act, No. 19 of 2018.

- (a) Since there was no need for the Ministry of Telecommunication and Digital Infrastructure to prepare financial statements for the preceding year, it could not be stated that the financial statements presented was consistent with the preceding year.
- (b) Since there was no requirement for the Ministry of Telecommunication and Digital Infrastructure to prepare financial statements for the preceding year, recommendations on the financial statements had not been made.

**1.6 Comments on Financial Statements**

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**1.6.1 Non-compliance with Provisions in Circulars**

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Although financial statements should be prepared in terms of State Finance Circular No.267/2018 dated 21 November 2018, instances of deviating from the requirement is given below.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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<p>In terms of Paragraph 7 (VI) of the above Circular, since the balance to be settled to the Treasury as at 31 December 2018 differs from the balance of the cash book as at that date, an Imprest Adjustment Account should be prepared to reconcile the said balance. Nevertheless, action had not been taken accordingly.</p>	<p>In terms of State Finance Circular No.267/2018 dated 21 November 2018, an Imprest Adjustment Account should be prepared presented along with the financial statements.</p>	<p>Since a proper format had not been introduced along with the circular pertaining to the preparation of financial statements and instructions had not been given to furnish the same as an attachment together with the financial statements, a copy of the Imprest Adjustment Account was not furnished along with the accounts reports. Instructions that the above account should be presented together with the financial statements were received after furnishing the accounts to the Auditor General.</p>

## 1.6.2 Statement of Financial Performance

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The following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
(a) Although the total revenue collected by the Ministry as non-revenue receipts under 04 revenue codes amounted to Rs.2,933,477, it had been stated as Rs.1,630,104. As such, other receipts had been understated by Rs.1,303,373.	Action should be taken to include correct amounts in the financial statements.	The amount credited by the Ministry under 04 revenue cords is reported by the monthly accounts summary. The credits made in cash as well as credits made through the cross entries are included therein. Accordingly, the Ministry has reported revenue in cash and by cross entries.
(b) Although the main ledger expenditure should be stated as Rs.4,726,026 in the account, that balance had been stated as Rs.19,589,957.	-Do-	Since a clear instructions were not received whether the main ledger expenditure should be prepared by consolidating the expenditure of the Deposit Account and the Advance Account, the expenditure of the Advance Account and the Deposit Account was stated separately and the amount received from the Imprest Adjustment Account was stated under the main ledger expenditure since there was no other place to note the balance of the Imprest Adjustment Account.

## 1.6.3 Statement of Financial Position

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The following observation is made.

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
Value of the non-financial assets stated in the financial	Amounts should be corrected and brought to	Due to the contradiction between the instructions

statement and that value account. indicated in the Comptroller General's Report amounted to Rs.139,291,689 and Rs.138,451,124 respectively. Accordingly, a difference of Rs.840,565 was observed.

issued by the Department of State Accounts and the instructions issued by the Comptroller General to fix codes for assets, a difference is observed between the non-finance assets included in the financial statement and the reports presented to the Comptroller General.

#### 1.6.4 Cash Flow Statement

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>(a) When taking into consideration the cash flows generated from operating activities of the cash flow statement, instead of Rs.2,933,477 collected as surcharges, fines and licence fees of the year under review, a sum of Rs.2,201,846 had been charged to the accounts and as such that balance had been understated by Rs.731,631. Receipts of deposits amounting to Ra.11,667,421 had not been charged to accounts. Accordingly, cash flow generated from operating activities had been understated by Rs.12,399,052.</p>	<p>Correct value of the Surcharges, fines and licence fees should be correctly stated under the cash flows generated from operating activities and a sum of Rs.11,667,421 should be stated there under as the receipts of deposit.</p>	<p>Any instruction on the preparation of cash flow statement had not been issued along with the relevant circular. In the preparation of cash flow statement, only the actual cash payments and actual cash receipts are taking into consideration and as such, payments and receipts made by the cross entries were not included.</p>
<p>(b) In accounting cash generated from investment activities, receipt of advances amounting to Rs.3,177,632 and payment of advances of Rs.3,524,839 had not been shown.</p>	<p>Receipt of advances should be stated under the cash flow generated from the investment activities, while payment of advance should be stated under the expenditure of that flow.</p>	<p>Any amount had not been stated under the cash flow (d) generated from the investment activities in the cash flow statement. Similarly, payment of advances had not been stated under the expenditure incurred on the investment activities.</p>

- (c) Even though construction or purchase of physical assets and acquisition of other investments amounted to Rs.3,053,418,021, it had been stated to be Rs.3,043,679,597 in the cash flow generated from the investment activities. Accordingly, that amount had been understated by Rs.9,738,424.
- Since expenditure actually incurred in cash has been pointed out by the observation, action should be taken to include correct amounts in the financial statements.
- Total expenditure incurred on capital expenditure was Rs.3,069,624,788 and it included a sum of Rs.24,451,075 incurred in respect of other Ministries. In addition, sums totalling Rs.50,396,266.24 accounted as cross entries relating to payments for the Ministries, Departments and contracts has been deducted. The reasons attributed there for was that a cash flow had not actually taken place and only the transactions carried out in cash were shown in the cash flow statement.
- (d) Although total expenditure incurred on the operating activities amounted to Rs.448,219,961, it had been stated to be Rs.442,428,835. Accordingly, a sum of Rs.5,791,126 had been understated.
- Since expenditure actually incurred in cash has been pointed out by the observation, action should be taken to include correct amounts in the financial statements.
- Since expenditure actually incurred in cash is used for the cash flow statement, expenses incurred by cross entries have been eliminated.
- (e) Although funds spent on the financial activities, were not in the possession of the Ministry, a sum of Rs.3,496,643 had been shown as variations of deposit accounts and other liabilities.
- Since there are no financial activities of the Ministry, above entry is not correct.
- Expenditure of deposit accounts and advance accounts has been stated herein. The Department of State Accounts of the General Treasury had not made a proper clarification in this regard and provided the Department of State Accounts had made proper clarification or elaborated above condition by way of conducting a workshop, this could have been avoided.

## 2. Financial Review

### 2.1 Preparation of Budget Estimates

Since the budget estimate prepared pertaining to making necessary provisions for the discharge of functions relevant to the Ministry had not been prepared realistically, the following deficiencies had taken place.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) Out of provisions obtained without proper plans for 16 projects to be implemented by the Ministry and 30 projects to be implemented by the Sri Lanka Information Communication Technology Agency (ICTA), a sum of Rs.2,064.8 million or 40 per cent of the provisions had been saved during the year under review.	In terms of Financial Regulation 50, since the Chief Accounting Officer should be responsible for the preparation of correct expenditure estimates and drawing plans to spend provisions within the relevant year, action should be taken to prevent these situations in future.	The value of the bills in hand under the development activities of the Ministry and the institutions functioning there under was Rs.1,215 million at the end of the year. Accordingly, the progress of incurring expenditure of development activities of the Ministry including the above bills in hand is Rs.4,524 million. Hence, percentage of the savings of provisions relating to development activities is 18 per cent.
(b) The total net provisions of Rs.4.4 million made for 05 Capital Objects had been saved, without being used for any purpose.	In terms of Financial Regulation 50, correct expenditure estimates should be prepared and action should be taken to avert these situations in future.	The internal original plan of the building had to be altered with the changes of the Ministers and the Ministries and necessities did not crop up to incur expenditure.
(c) Since excess provisions had been obtained for 03 Recurrent Objects and 10 Capital Objects without plans, out of the allocated provisions Rs.5,590.27 million, a sum of Rs.3,347.14 million only had been spent and Rs.2,243.13 million had been saved. It had ranged from 33 per cent to 95 per cent.	In terms of Financial Regulation 50, the Chief Accounting Officer shall be responsible for preparing correct expenditure estimates and obtaining financial provisions only for the activities that can be carried out within the relevant year.	Reasons such as absences of a Deputy Minister, stoppage of purchasing owing to reshuffling of the Ministries, not arising requirements and the administrative uncertainties have given rise to the above savings.

### 3. Operating Review

#### 3.1 Failure to Discharge Functions

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>Although a key function of the Ministry is to take necessary steps to provide digital and infrastructure facilities to all with the use of modern technology. It was observed according to the following matters that the said requirement had not been achieved.</p>		
<p>(a) Even though the mobile phone density had increased from 100 persons to 150 persons by the year 2018, since one person uses a considerable number of active subscriber modules Sims, actual position was not reflected by the above figures</p>	<p>Necessary steps should be taken in a manner able to compute the actual number of subscribers.</p>	<p>Purchase of several mobile phone Sims by a single person has not been limited within Sri Lanka. Similarly, people use mobile phones in accordance with their the necessity and the affordability.</p>
<p>(b) The number of internet subscribers in the year 2016 stood at 4,920,554 and it had been 5,904,260 and 7,263,161 in the years 2017 and 2018 respectively according to the statistics of the Telecommunication Regulatory Commission of Sri Lanka. Although an increase in the number of subscribers was observed, it had been extremely minimum level as compared with the Sri Lankan population.</p>	<p>When taking necessary steps to provide digital and infrastructure facilities to all with the use of modern technology as a key function of the Ministry and reaching the Sustainable Development Goals, in 2030 plans should be prepared so as to provide internet access to all.</p>	<p>Use of internet is not a fundamental need of a person. Purchase of internet facilities depends on the income level of the persons and families. In most instances, people obtain internet facilities for the mobile phones temporarily in keeping with their requirements.</p>



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| (c) | Further, number of ADSL internet facilities obtained by the year 2017 stood at 768,760 and 48.1 per cent of which represented the Western Province and such facilities from 3.3 per cent to 10.9 per cent had been expanded over the other Provinces. Accordingly, the expansion of ADSL internet facilities in rural areas had remained at a extremely lower level. | Necessary plans should be drawn to promote ADSL or other profitable internet packages at rural level. | Provision of ADSL technology for rural areas is not profitable to the Telecom. Internet facilities can be established within Sri Lanka through the mobile phones at a low cost. |
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### 3.2 Failure to Achieve the Expected Level of Output

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 The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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(a) Even though provisions of Rs.1,731.85 million had been obtained for the digitalization of economy for the year 2018, only a sum of Rs.637.96 million had been utilized during the year under review. The bill value payable by the end of the year stood at Rs.89.36 million. Accordingly, the financial progress was 42 per cent only.	According to the F.R.50, expenditure estimates should be correctly prepared and expected level of output should be achieved.	The failure to achieve the expected level of output is accepted.
(b) Of 14 projects to be completed within the year, any projects had not been entirely completed. In the evaluation of performance of those 14 projects, one projects with the progress of Rs.24 per cent, 03 projects with the progress between 25 per cent and 49 per cent, 04 projects with the progress between 50 per cent and 74 per cent and 06 projects with the progress	Projects to be completed within the year should be completed in optimum efficiency.	Due to situations created beyond control of the Ministry owing to administrative uncertainties prevailed at the end of the year, procurement activities and purchases of the main projects could not be completed. As such, expenditure could not be incurred in maximum capacity.

between 75 per cent and 79 per cent were observed.

- (c) For the school computer project designed to improve digital literacy of the school teachers and the students, a sum of Rs.250 million had been allocated for the year under review and after settling liabilities of the preceding year, only Rs.112 million had been saved for the above purpose. Nevertheless, establishment of 55 school computer units and training of teachers had not been carried out during the year under review.
- Procurements to be completed within the year should be completed and action should be taken to obtain adequate number of procurements that can be carried out within the year.
- Although school computer and accessories procurement process was initiated in 2018 and reached to its final stage by the end of the year, procurement process could not be completed due to administrative uncertainties cropped up by the end of the year.
- (d) Although provisions of Rs.5 million had been made for research and development activities during the year under review, a sum of Rs.243,420 only had been spent and the progress up to then had been stated as 47 per cent in the performance report.
- Action should be taken to achieve the targeted performance with the use of provisions.
- According to this programme, 12 suitable research thesis topics were selected and accordingly the officers have to conduct researches and submit reports thereon. Therein, taking into consideration the whole process elaborated by the Annexure 01, the progress thereof has been stated as 47 per cent. It is not an act of showing the progress in relation to the expenditure.
- (e) Although Rs.4 million had been allocated for the project for the improvement of information technology literacy of the elders, any amounts had not been spent. Although the pilot project was scheduled to be implemented in Galle Divisional Secretariat Division, works up to the preparation of syllabus of the project only had been done.
- The provisions obtained should be efficiently utilized and care should be exercised on the impact posed to the national budget as a result of obtaining supplementary provisions.
- As a whole, taking into accounts the physical works and considering the activities up to the preparation of syllabus to those works as a percentage, the progress thereof has been stated as 38 per cent. Any expenditure had not been incurred on that work. Service of the experts have been obtained on volunteer basis.

Nevertheless, in the Performance Report, the progress of the project had been stated as 38 per cent.

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| (f) Although Rs.43 million had been allocated for the project for the improvement of information technology skills of the Staff Grade officers of the Public sector, a sum of Rs.4.13 million only had been spent. | -Do- | Relevant trainings were conducted using Government building facilities with participation of resource persons of the ICTA Institute and the SL CERT Institute. Accordingly, a high standard training could be provided at a low cost. |
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### 3.3 Procurements

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The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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(a) Computer Skills Development Programme for 50 Medical Administrative Officers.		
(i) Although plans have been drawn to conduct this programme at a cost of Rs.1.90 million, Rs.3.46 million had been spent thereon. A total cost estimate had not been prepared relating to this programme.	Total cost estimate should be prepared.	The course fees and the examination fees of the institute expected to be utilized for providing relevant training programme only have been stated as Rs.1,903,600. In addition, lecture halls and meals had to be arranged.
(ii) This programme had been organized under 02 groups at 25 officers each. Even though this programme should be conducted over 12 days for each group, only 04 officers had attended the course for entire 12 days. The officers' participation had ranged from 02 days to 11 days.	Maximum effort should be made to ensure the participation of all the selected officers during the relevant course period.	Medical officers are extremely busiest professionals and as such their continuous participation in the course may not be assured in some instances.

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| <p>(iii) Expenditure of one officers stood at Rs.5,340 per day. Hence, it could not be satisfied in audit whether the expected outcome had been achieved in relation to Rs.1.14 million paid in respect of 214 days during which the officers had not participated in the course.</p>   | <p>-Do-</p>  | <p>The Ministry of Health informed to ensure the maximum participation in the course during the period of course. Albeit, there were some instances where several trainees could not attend the course due to unavoidable reasons.</p> |
| <p>(b) In the procurement relating to the purchase of 05 photocopy machines and 02 laptops at a cost of Rs.2.16 million in the year 2018, although a Procurement Plan had been prepared in terms of Guideline 4.2.2 (a) of the Government Procurement Guidelines, it was observed that procurements had not been carried out in accordance therewith. Although the date for signing agreement had been fixed on 02 May 2018, relevant agreement had been signed with the supplier on 21 September 2018.</p> | <p>Action should be taken according to the plans.</p>  | <p>Since time had to be given for calling additional information and evaluation had to be again carried out, the above delay had occurred.</p>   |
| <p>(c) Internal Improvement<br/>Rs.41.67 million</p>  |  |  |
| <p>(i) According to the Cabinet decision and agreement, a period of 03 months had been given from the date of agreement to complete the internal repairs of the building and accordingly, works should have been completed by 14 February 2018. Nevertheless, repairs had been completed as at 31 December 2018. Although the building had</p>  | <p>Necessary steps should be taken by ascertaining the reasons for not being complied with the Cabinet decision and these incidents should be prevented in future.</p> | <p>Since internal creations had to be carried out after the office hours so as not to cause obstacles to daily affairs of the Ministry, additional time had to be spent to complete relevant works than the scheduled time frame.</p>  |

been obtained on rent for a period of 03 years from 21 May 2017, it had not been an effective purpose since a period of more than one year had been taken for repair activities.

- (ii) According to the bill presented as at 31 December 2018, the total value of the completed works amounted to Rs.29.01 million. Out of the above amount, 50 per cent or Rs.14.57 million was for the additional works. Accordingly, it was observed that the BOQ prepared obtaining consultations was not at a satisfactory level.
- Requirements should be identified first and accordingly, BOQs should be prepared as realistically as possible.
- Even though Rs.14,578,825 had been stated as Extra Work in the final bill, it included the quantity variations of the BOQ items and the expenditure incurred on the changes of BOQ items.

### 3.4 Assets Management

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) Five vehicles and a motorcycle had not been driven during the whole year under preview.	Action should be taken to carry out repair and disposal activities efficiently.	Since the above vehicles used by the Media Secretary to the former Minister had met with an accident in the year 2018, it could not be driven during the year 2018. Similarly, action is being taken to dispose of the vehicles bearing Nos.JS-3735, 17-9310, 54-3070 and 62-0779.
(b) Total expenditure of Rs.83.17 million comprising Rs.75.97 million as rentals, Rs.3.08 million as cleaning service charges and Rs.4.11 million as security service charges had been	Since two companies, SL CRET and LGII functioning under the Ministry are maintained in Bandaranaike International Memorial	The building in which the offices of the Ministry are maintained at present has been obtained on rent under a formal procurement procedure. Annual rent for

paid for the Ministry building during the year under review. Since the actual cadre of the Ministry as at 31 December 2018 was 80, amount spent for the building in respect of one employee had been Rs.1.03 million during the year under review. Similarly, the building consisted of 30,586 square feet and when comparing that amount with the number of employees, it was observed that the building had remained underutilized.

Conference Hall on rent basis, this building obtained on rent should be utilized in maximum capacity while taking into consideration the above situation, as well. Action should be taken to minimize the per capita expenditure. Further, the possibility to establish the Ministry in a property owned by the Government should be looked into.

the building should be paid according to the agreed rates. Wherever the Ministry is maintained, it is essential to pay charges for cleaning service, security service etc. This building had been obtained on rent for the Ministry of Telecommunication, Digital Infrastructure and Information Technology. Taking into consideration then existed divisions of the Ministry including the spaces for the Minister and the Deputy Minister, this building has been obtained on rent in keeping with the requirements. However, in reshuffling the Ministries in the year 2019, this Ministry was limited to the Ministry of Telecommunication, Digital Infrastructure and Information Technology and a Deputy Minister had not been appointed to the Ministry. Accordingly, the space allocated for the Deputy Minister is visible as an additional space.

#### 4. Achievement of Sustainable Development Goals

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>Necessary indicators and milestones for the regulation of relevant activities in reaching targets of the Sustainable Development Goals identified by the preceding year had not been recognized and a methodology had not been implemented for the regulation of relevant activities pertaining to the</p>	<p>Indicators and milestones for the regulation of Sustainable Development Goals should be recognized and a methodology should be implemented for the regulation of relevant activities.</p>	<p>Most of the projects implemented by this Ministry are multiyear projects. The Sustainable Development Goal/Goals relating to each project/programme have been identified from the year 2017 and action has been</p>

achievement of Sustainable Development Goals.

taken to make aware the Ministerial Project Managers in that respect. That procedure was adopted in the year 2018 and due to lack of human resources in the Ministry, it was not possible to implement a more formal and close follow up procedure under each project and to report.

**5. Good Governance**  
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**5.1 Internal Audit**  
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The following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
(a) Although an Internal Audit Unit had been established in the Ministry, Internal Audit Reports had not been furnished to the Auditor General in terms of F.R.134 (3).	Internal Audit Reports should be furnished to the Auditor General in terms of F.R.134 (3).	Even though an Internal Audit Unit had been established in the Ministry, one female officer had been attached to this Division until October 2018. Due to lack of sufficient number of officers and owing to the excessive work load, it has found difficult to maintain activities smoothly.
(b) Performance of the Internal Audit had not been included in the Performance Report presented to the year under review. Therefore, it could not be examined whether the steps have been taken in accordance with the Internal Audit Plan.	Performance of the Internal Audit should be included in the Performance Report.	

**6. Human Resource Management**

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The following observation is made.

Audit Observation

Recommendation

Comments of the Chief  
Accounting Officer

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The approved cadre and the actual cadre as at the end of the year under review stood at 91 and 61 respectively and accordingly, the number of vacancies stood at 30. It had been reported that the inadequacy of human resources had attributed to the underutilization of provisions. Although this situation had continuously prevailed in the Ministry, it had not been settled.

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Expeditious steps should be taken to fill vacancies and plans should be drawn to seek solutions to the human resource shortage.

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Requests have been made to the Ministry of Public Administration and Disaster Management in several instances to appoint or send on transfers the officers for the vacancies of the Ministry, whereas it has not been accomplished up to date. This situation has adversely affected the smooth functioning of the Ministry.