

Head-304 – Department of Meteorology

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Meteorology for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 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 Department of Meteorology was issued to the Accounting Officer on 29 June 2021 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 29 July 2021 in terms of Section 11(2) of the National Audit Act, No. 19 of 2018. This report is submitted to Parliament in pursuance of provisions in the 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 paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Department of Meteorology as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Accounting Officer for the Financial Statements

The 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 the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 Department at 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

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 summary 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 and its materiality depends on the influence on economic decisions taken by users 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:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design 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 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the 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 Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Position

The following weaknesses were observed in accounting of the Property Plant and equipment.

Audit Observation	Comment of the Accounting Officer	Recommendation
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Although Rs. 403 million was spent in 2007 to install the Gongala Radar System, its works had not been completed. A sum of Rs. 322 million deposited in the Trust Fund of the World Meteorological Association had been brought back to the Department for that purpose, spent Rs. 1 million out of it, the remittance of the balance amount to the Treasury and misplace of equipment valued at Rs. 9 million had not been disclosed in the financial statements.	The money received was deposited in the General deposit account and a sum of Rs.1 million was kept and the balance was remitted to the Treasury due to non-receipt of the requested imprest amount. A write-off was not made because the equipment for the Doppler Radar System was not inventoried.	These assets and transactions should be stated in the financial statements on the advice of the Treasury.

1.6.2 Cash Flow Statement

Audit Observation	Comment of the Accounting Officer	Recommendation
Although according to the books of the Department the advance received was Rs.10,876,363 and the advance payment was Rs.5,012,143, it had been stated as Rs.9,956,153 and Rs.4,100,933 respectively in the cash flow statement.	The advance receipts in the cash flow statement are being stated by adjusting the minus balance of the maximum limit of debit balances to the total amount of the debits for the year and the total of the credits for the year in ACA5 in the financial statement.	Accounts should be kept in a proper manner.

1.6.3 Advances to Public Officers Accounts

Audit Observation	Comment of the Accounting Officer	Recommendation
Although the total amount of loans due from the three officers is Rs. 191,548 according to the Advance Register, it was Rs.121,548 according to the accounts and so that the difference was Rs.70,000.	Recoveries were made accurately as per salary software and it was informed that the CC ₁₀ document was recorded correctly.	Distress and Festival Advance balances should be accurately presented in the registers and financial statements.

1.6.4 Non-maintenance of Registers and Books

The Department had not maintained the following documents in an updated manner.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) The Fixed Asset Register had not been updated as per Treasury Circular No. 842 dated 19 December 1978 and the Financial Regulations.	It was informed that steps are being taken to update.	The fixed asset register should be updated and maintained with the consent of the Auditor General.
(b) Although loan and advance documents should be prepared as per the CC ₁₀ format and base of that format, it had not been done accordingly.	It was informed that action will be taken to include also these loan categories in the CC ₁₀ format in the future.	Loan and advance registers should be prepared on the basis of CC ₁₀ format as per the instructions of the Public Accounts Circular.

2. Financial Review

2.1 Management of Expenditure

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Net provision of Rs.25,852,460 or 7.08 per cent of the capital and recurrent expenditure during the year under review had not been utilized.	Delays were caused by non-payment of expenses totally and the prevailing Covid 19 situation.	Steps should be taken to utilize the Treasury allocations efficiently.
(b) There were savings in five recurrent expenditure codes ranging from 21 per cent to 51 per cent and five capital expenditure codes ranging from 35 per cent to 89 per cent.	Delay in the shipping of Radio Sont equipment, non-incurring of expected expenditure due to the Covid pandemic leads to saving recurrent expenditure. Head Office Badulla and Nuwara Eliya Meteorological Office land development works were out of the control of the Department.	-do-

2.2 Incurring of Liabilities and Commitments

Audit Observation	Comment of the Accounting Officer	Recommendation
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According to the Department books, the total liabilities of 07 expenditure codes amounting to Rs.1,199,611 had not been stated in the financial statements of the year under review.	Since the financial statements were submitted for signature on 12 February 2020, only the liabilities were made up to that day are included in the financial statements and liabilities were made after that day could not be included in the financial statements.	All liabilities for the year should be presented through the financial statements.

2.3 Reconciliation Statements on Advances to Public Officers Account

Audit Observation	Comment of the Accounting Officer	Recommendation
A sum of Rs.135,922 due from two employees who left the service in 1999 and 2010 and a sum of Rs.54,868 due from a retired officer had not been recovered even as at 16 March 2020.	Requests had been made to the Public Accounts Department relating to writing off the loan balance of Rs.135,922. It was informed that the retired officer's retirement grant paper had not been received by the Accounts Division by 16 March 2021.	Action should be taken to recover the loan balances of the officers who had left the service and those who had retired.

2.4 Non-compliance with Laws, Rules and Regulations

Reference to Laws, Rules and Regulations	Non-compliance	Comment of the Accounting Officer	Recommendation
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(i) Financial Regulation 396	Regarding five cheques amounting to Rs.41,212 exceeding a period of 06 months had not been dealt with in accordance with the Financial Regulations.	It was informed that two new cheques had been issued on 30 July 2020 and 03 July 2020 for two cheques totalling Rs.38,370.	Regarding cheques exceeding 06 months should be dealt with in accordance with Financial Regulations.
(ii) Financial Regulation 571	Deposits exceeding 2 years amounting to Rs.249,219 had not been credited to the relevant account or government revenue accordingly.	An amount of Rs.70,000 out of the deposits are bond deposits and the remaining deposits had been dealt with as per FR 571.	Action should be taken in accordance with Financial Regulations regarding deposits exceeding 2 years.
(iii) Financial Regulation 1646	Running Charts and Monthly Summaries of 07 vehicles from 2016 had not been submitted to the Auditor General before the 15 of the ensuing month.	It was informed that monthly summaries will be submitted from the year 2021.	Monthly Summaries should be submitted to the Auditor General in accordance with Financial Regulations.

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| <p>(b) Urban Development Authority (Amendment) Act No. 04 of 1982.
Section 8 (i) (i) of 28 b (2) (b)</p> | <p>There was a situation where it was not entitled to receive any compensation if the land was taken over by the Authority because the front fence of the Department was constructed without obtaining a permit from the Urban Development Authority.</p> | <p>The design for this construction was done with the assistance of the engineer of the National Building Research Organization. Although there were instructions received on BOQ planning and pricing, this permission was not obtained as it was not mentioned.</p> | <p>Action should be taken to obtain the relevant permit as per the Urban Development Authority (Amendment) Act.</p> |
| <p>(c) Public Administration Circular No. 30/2016 dated 26 December 2016.</p> | | | |
| <p>(i) Paragraph 3.1</p> | <p>The fuel consumption test had not been done for 09 vehicles owned by the Department during the year under review.</p> | <p>It was informed that the fuel test will be carried out in the year 2021 and the difficulties had arisen due to the current Corona pandemic situation.</p> | <p>Fuel test should be done in accordance with the Circular.</p> |
| <p>(ii) Paragraph 4.4</p> | <p>The vehicle repairs in the Colombo city area had been done by companies outside the city area contrary to the Circular.</p> | <p>It was informed that in the future repairs will be carried out from the garages located in the areas mentioned in the Circular.</p> | <p>Actions should be taken in accordance with the Circular.</p> |

2.5 Issuance and Settlement of Advances

----- Audit Observation -----	Comment of the Accounting Officer -----	Recommendation -----
<p>Expenditure ranged from 20.19 per cent to 283.14 per cent had been given by exceeding the requirements in 13 instances and although the advances given should be settled as soon as the work is completed, settlements had been made with a delay of 1 month to 11 months in seven instances.</p>	<p>This can happen because it is difficult to determine the exact amount of an advance and make an accurate estimate in practice.</p>	<p>Action should be taken to obtain adequate advances as required and to settle the advances without delay.</p>

3. Operating Review

3.1 Non-performance of Functions

Audit Observation	Comment of the Accounting Officer	Recommendation
A sum of Rs.0.63 million or about 5 per cent had been incurred out of the provision of Rs.1.37 million allocated for staff training for capacity building. Although the financial progress of the Doppler Weather Radar System project was hundred per cent, the physical progress was 16 per cent. Although a budget allocation of Rs. 2.20 million had been made for the lightning detection system, actual expenditure was Rs.0.25 million or 11.36 per cent.	The expenditure for the quarter is calculated as the provision of that quarter for the Doppler Radar System in the year 2020. Physical progress was 16 percent due to the inactivity of the Japanese side activities due to the Corona pandemic.	Action should be taken according to the action plan by utilizing the provisions.

3.2 Non-achievement of expected Output Level

Audit Observation	Comment of the Accounting Officer	Recommendation
Although there were significant weaknesses in the construction of the front fence and gate of the Meteorological Department, A sum of Rs.3,277,459 had been paid for the final bill.	Payments had been made as recommended by the Technical Committee.	Action should be taken to ensure that the construction work is carried out systematically as planned.

3.3 Procurements

Audit Observation	Comment of the Accounting Officer	Recommendation
A detailed procurement plan for the year 2020 had not been prepared as per 4.2 (c) of the National Procurement Guidelines dated 25 January 2006.	It is mandatory to prepare a procurement plan as per Public Finance Circular No. 01/2014. That compulsory procurement plan had been prepared for the year 2020. The Procurement Guidelines stated that making other procurement plans is not mandatory.	A detailed procurement plan should be prepared.

3.4 Assets Management

Audit Observation	Comment of the Accounting Officer	Recommendation
Although an investigation was conducted on a vehicle met with an accident, running without the formal approval of the Director and a report was furnished on 18 July 2020, a formal investigation had not been taken even as at April 2021.	Failure to complete formal inspections is beyond our control because the Ministry of Public Services, Provincial Councils and Local Government investigate the accident that took place on 15 and 17 May 2020.	Although the relevant approval should be obtained to drive vehicle, vehicle accident investigations should be formalized.

3.5 Management Weaknesses

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) The Japan International Cooperation Agency (JICA) had agreed to provide a grant of 2,503 million Japanese Yen to set up Doppler Radar Systems at the Puttalam and Pottuvil Meteorological Centers to assist in early warning weather forecasting system. Although 04 years had passed since the signing of an agreement between the Government of Sri Lanka on 30 June 2017, its constructions had not yet been started.	Initially, it's seemed to be delays in getting approval for construction. Immediate actions had been taken since 2019. But, there were delays again in 2020 under the Corona pandemic. However, JICA had announced that quotations for the purchase of Doppler machine equipment in Japan will be postponed until August 2021 due to the Corona pandemic in both countries.	Puttalam and Pottuvil radar systems should be built without delay.
(b) Although it had been stated that mercury containing products should not be imported or exported after 2020 under the Minamata Convention, according to the information provided for the audit, 139 Mercury instruments in 23 offices of the Meteorological Department and 264 Mercury	The dates were not set for the removal of mercury-containing equipment from use.	Action should be taken to gradually reduce the use of mercury.

instruments in 33 outsourced centres assist to the Department were being used even as at 22 July 2020.

4. Achievement of Sustainable Development Goals

Audit Observation	Comment of the Accounting Officer	Recommendation
All government agencies should act in accordance with the United Nations "Agenda" for Sustainable Development 2030 and finalizing of the Sustainable Development Strategic Action Plan and the data storing activities had not been done by the Department. Further, progress on achieving the Sustainable Development Goals and Objectives had not been reported.	Global goals and indicators were identified. It was informed that our Line Ministry is conducting training and awareness programmes on relevant activities and future steps and the programme had not been able to take place so far due to the prevailing Corona pandemic situation.	The activities relating to sustainable development should be performed.

5. Human Resource Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although the approved cadre of the Department was 460 as at 31 December 2020, the staff vacancies were 117 since the employed staffs were 343. There are 03 Meteorological Officers employed in the Sri Lanka Scientific Service who were recruited on a merit stream. Further, a Human Resource Plan had not been prepared for the Department.	Meteorologists had been recruited on a merit stream according to a court decision. 27 were recruited newly for the post of Meteorological Observer / Communicator by 07 May 2021. The filling of these vacancies can be expedited through conducting an exam by roughly count regarding the vacancies in the next two years.	Action should be taken to fill the existing vacancies in the Department by taking into consideration the service requirements and a Human Resource Plan should be prepared.
(b) The post of Internal Auditor was vacant from 2013 to 01 July 2019.	Requested were made to fill the vacancies.	Action should be taken to fill the vacancies in the post of Internal Auditor.