

Head 304 -Department of Meteorology

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of Department of Meteorology for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021, 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 summarized reports on the financial statements of the Department of Meteorology to be submitted in terms of the paragraph 11(1) of the National Audit Act No. 19 of 2018 which contained my comments and observations had been submitted to the Accounting Officer on 25 May 2022. The detailed management report of Department of Meteorology to be submitted in terms of the paragraph 11(2) of the National Audit Act No. 19 of 2018 had been submitted to the Accounting Officer on 31 May 2022. This report in pursuance of provisions in Article 154 (6) of the Constitution read in conjunction with paragraph 10 of the National Audit Act No. 19 of 2018 is presented to the Parliament.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of Department of Meteorology as at 31 December 2021 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

My opinion is qualified based on the matters describe in paragraph 1.6 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 Accounting Officer for the Financial Statements

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 in terms of paragraph 38 of the National Audit Act, No. 19 of 2018 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 paragraph 16(1) of the National Audit Act No. 19 of 2018, Department 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 Department.

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 Department and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carry out.

1.4 Auditor's Responsibility for 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 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 skepticism 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 internal control of the Department.
- Evaluate the structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- 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 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

As required by Sub-section 6 (d) of the National Audit Act, No.19 of 2018, I state the followings.

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

1.6 Comment on the Financial Statements

1.6.1 Accounting Deficiency

Cash Flow Statements

Audit Observation -----	Comment of the Accounting Officer -----	Recommendation -----
Eventhough recover of the advances as per the trail balance of the CIGAS required to be accounted as Rs. 9,492,823 in preparing of the financial statements of the Metrology Department, as per the Account Statement-SASO, it was accounted as Rs.8,956,153. Accordingly, recover of advances had been understated by Rs.536,670 in the cash flow statement.	Action will be taken to accounts accurately as per the CIGAS trial balance.	It should be accounts as per the Books of the Department.

1.6.2 Records and Registers not maintained

The following records had not been maintained in updated manner by the Department.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) <u>Fixed Assets Register</u> Fixed Assets Register had not been maintained in terms of the Treasury Circular No 842 of 19 December 1978.	Action is being taken to complete promptly, due to delay on Covid pandemic situation.	In terms of the Circular Fixed Assets Register should be maintained.
(b) <u>Liabilities Register</u> In terms of Financial Regulation 214, liabilities should be recorded as enable to check regularly.	This is remained in the computer software in updated manner daily and if required, can be printed.	It should be recorded in the Liabilities Register as enable to check regularly.

2. Financial Review

2.1 Expenditure Management

The following observations are made.

	Audit Observation	Comment of the Accounting Officer	Recommendation
(a)	After made all adjustments for the year under review net allocation was Rs. 395,100,000 and total expenditure was Rs. 342,198,581. Therefore, allocation of Rs. 52,901,419 or 13.4 per cent of the total allocation had not been utilized.	This savings has occurred ,due to expenditures are not occurred as expected, invoices relating to membership fee are not submitted for payment and adhere with the cabinet paper for Government Expenditure review.	Preparation of estimates and expenditure managements should be updated.
(b)	Allocations had been saved in the 36 per cent of the recurrent expenditure objects, 90 per cent to 100 percent range in the 06 capital expenditure objects.	Reply had not been submitted.	Treasury allocations should be utilized properly.
(c)	Allocation of 20 percent to 300 percent of the allocation made from the annual budget estimate had been transfer from the other expenditure objects to the 06 expenditure objects.	As the allocation made from the annual budget estimate is not enough, required additional allocations had been transferred from the other expenditure objects.	Estimates should be prepared properly when preparing estimates.

2.2 Liabilities and Commitments Entered

	Audit Observations	Comments of the Accounting Officer	Recommendations
(a)	According to the payment vouchers of the Department, liabilities of Rs. 155,702 for the 05 expenditure objects had not been shown in the financial statements of the year under review.	Liabilities valued at Rs.155,702 was the liabilities included in the vouchers submitted after the date. Therefore, these liabilities could not be included to the financial statements.	All liabilities pertaining to the year should be represented from the financial statements.
(b)	Commitment of Rs. 1,998,960 had not been disclosed in the financial statements, due to invoices are not received as at 31 December 2021 for the contribution fees required to be	The above value had not been shown as commitment in the financial statements, due to application of due	All liabilities pertaining to the year should be represented from the financial statements

paid on the Regional Integrated Multi-Hazard Early Warning System, Tropical Cyclone Panel and fire wall contribution under the contribution and membership fees. amount for the member fees relating to the previous years had not been made by the respective institution normally.

2.3 Non-compliance with Laws, Rules and Regulations

	Reference to the Laws, Rules and Regulations	Non-compliances	Comment of the Accounting Officer	Recommendations
(a)	Financial Regulation of Democratic Socialist Republic of Sri Lanka			
(i)	Financial Regulation 396(d)	Eventhough 8 cheque aggregated value Rs. 87,398 had not been submitted for payment even after lapses of 6 months from the issue action had not been taken according to the Financial Regulation.	Action expected to be implemented as per the F.R for the balance cheque which had not been submitted for payment even up to now.	Action should be taken as per the Financial Regulations for the deposits which had over 06 months.
(ii)	Financial Regulation 565 (5)	Eventhough a statements of monthly deposits summary required to be submitted for the Auditor General before end of the next month, it had not been submitted.	Action has been taken to submit to the Auditor General in future.	Action should be taken as per the Financial Regulations for the monthly deposits statements.
(iii)	Financial Regulation 570	Lists had not been prepared at the end of the every semi-annually on the overdue deposits.	Action has been taken to submit to the Auditor General in future.	Action should be taken as per the Financial Regulations for the overdue deposits.
(iv)	Financial Regulation 571	Action had not been taken to credit to the relevant account or Government income as appropriate on the deposits of Rs. 206,177 which had exceeded 02 years.	Action had been taken to credit the balance deposits to the Government income in this year.	Action should be taken as per the Financial Regulations for the deposits which had exceeded 02 years.

- (v) Paragraph 3.1 of Fuel test had not been It is inform that the fuel Fuel test should be
the Public carried out for the 08 test is being carried out carried out as per the
Administration vehicles which belong to in this year. circular.
Circular No. the Department during the
30/2016 of 26 year under review.
December 2016

2.4 Issues and Settlement of Advances

Audit Observations	Comments of the Accounting Officer	Recommendations
(a) Eventhough sufficient amount of money required to be issue by submitting estimate in issuing ad hoc sub imprest, advances had been issued in 12 instances over the requirement and out of the imprest given, savings ringing from 36 per cent to 84 per cent had been remained.	Advances claimed by preparing respective expenditure estimate under the proper approval in instances where required had been given by the Account section. Savings are occurred, due to expenses are not arise as expected.	Action should be taken to obtain the advances as sufficient for requirement and settle the advances without delay.
(b) Issuing and settlement of advances to the public officer		
(i) Loan balance of Rs.274,448 receivable from an officer who died had not been recovered even up to April 2022.	The balance could not be settled, due to letters for the recovery had not been received to us from the Department of Pension.	Action should be taken to recover the loan balances from the officers without delay.
(ii) Action had not been taken to recover the loan balances aggregated value of Rs. 124,830 from the officers who leave from the services.	It is informed that the legal action will be taken if the payments are defaulted.	Loan balances should be recovered without delay from the office who leave from the services.
(iii) Distress loan balances of Rs. 249,032 had not been recovered from the three officers who retired.	Future decision will be taken depending on the future activities carried out for the payments of pensions to the officers.	Loan balances of the officers who retired should be recovered without delay.

3. Operating Review

3.1 Non-perform of Duties

Audit Observation	Comment of the Accounting Officer	Recommendation
Progress of the activities such as capacity development, procurement of metrology equipment, rehabilitation and improvement of buildings, acquisition of capital assets and activities of the Doppler Radar System which included to the action plan submitted by the Department had remained below than 10 per cent.	Progress of the mentioned 05 activities as per the action plan submitted by the Department was below than 10 per cent, due to covid pandemic and curfew situation prevailed in the country.	Action should be taken as per the action plan by utilizing the allocations.

3.2 Expenditure Management

Audit Observation	Comment of the Accounting Officer	Recommendation
Out of the allocation of Rs. 12 million made for the activities of the Doppler Radar System, no any expenditure had been incurred. Eventhough allocation of Rs. 11 million had been made for the procurement of metrology equipment in year 2021, expenditure of Rs. 0.95 million had been incurred and cancelled the procurement of metrology equipment. Under the land and land improvement Rs. 0.5 million had been incurred and out of the allocation 91 per cent had been saved. Eventhough allocation of Rs. 10 million had been made for the construction of building, expenditure of Rs. 0.39 million incurred and out of the allocation of 96 per cent had been saved.	When negotiation on the rates with the selected companies as per the tender procedure was reviled that the allocated funds for the respective activities is not sufficient. Therefore, this project was not implemented.	Action should be taken as per the action plan by utilizing the allocations.

3.3 Abandonment of Projects

Audit Observation	Comment of the Accounting Officer	Recommendation
Eventhough 12 years had been lapsed for the expenditure of Rs. 402.8 million incurred for establishment of a Radar System at Gongala by the Department, the activity had not been fulfilled up to now. Further, out of the equipment brought for the respective activity, equipment valued at Rs. 9.1 million had been misplaced and that value had been shown as Rs. 4.9 million in the Damages and Losses Register. Officers who are responsible for this misplacement also had not been identified.	As per the instructions of the Secretary of the Ministry of Defence, remain goods and building with the tower had been handed over to the army officers who retained there for the temporary usage.	Action should be taken to identify the officers who responsible for this misplacement and unsuccessful project and recover the loss occurred to the Government.

3.4 Assets Management

The following observation is made.

Audit Observation	Comment of the Accounting Officer	Recommendation
135 scrap goods items identified as outdated and required to be destroyed in the board of survey carried out in the year 2017 and preceding years had not been remove or earn an income by selling at residual value.	Action will be taken in this regard in future.	Action should be taken by the management to remove or earn an income by selling at residual value those items.

3.5 Operation of Bank Accounts

Audit Observation	Comment of the Accounting Officer	Recommendation
Action had not been taken in to the respective income by identify the 107 cheques valued at Rs. 616,934 that are unable to identify the depositors.	It was informed as deposit the money directly to the bank account to the persons who are request data during the coronar period and it was informed that the required data can be obtained by submitting the information to the relevant division after deposit of money.	Action should be taken to identify the cheques which are not confirmed of receipt.

3.6 Management Inefficiencies

 The following observations are made.

Audit Observations	Comments of the Accounting Officer	Recommendations
(a) An agreement had been signed with the Government on 30 June 2017 for award a grant of Japan Yen 2,503 million by the Japan International Association Agency to establish Metrology Centers at Pothuvil. The Government has to be incurred Rs. 486.6 million for the project. Eventhough 05 years had been lapsed up to now since year 2017, the construction activities had not been commenced up to now.	Eventhough there was a delay, it had been commenced to obtained the approval for the construction from year 2019. Thereafter, the activities had been sucked in year 2020, due to covid pandemic situation. Eventhough activities are commenced in year 2021, due to estimate made in 2017 is not enough, the tender procedure had to be abended.	Action should be taken to commenced the construction activities of the project.
(b) The Metrology Department has not yet taken over the land where the Pothuvil Radar Towers are to be built.	Activities relating to the acquisition of land of the Pothuvil office were commenced before several years. However, it was further delay because of the reasons out of the control of our Department.	Action should be taken to acquire the land to the Metrology Department.

4. Achievement of Sustainable Development Goals

Audit Observation	Comment of the Accounting Officer	Recommendation
Action to be taken by the every public entity in terms of the Agenda 2033 of the United Nation's on Sustainable Development Goals. Eventhough the Department is aware on the action plan of the Sustainable Development Strategy, action had not been taken to prepare the plan accordingly and the progress of the achievement of the Sustainable Development Goals and targets, supervision, follow-up and review had not been reported.	According to the Action Plan, sustainable development goals, targets and indicates fulfilled by the projects and programmes are identified and human and physical resources required for the projects and programmes are decided.	It is required to report on the progress of the achievement of the Sustainable Development Goals and targets, supervision, follow-up and review.

5. Human Resources Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Approved cader of the Department as at 31 December 2021 was 460 and actual cader was 355. Therefore, vacancies of the posts were 105. There was a significant effect to achieve the objectives and functions properly of the institution, due to 105 vacant post remained since several years are necessary post.	Action is being taken to fill the vacancies.	Action should be taken to fill the remained vacancies.
(b) The post of Internal Auditor had remained vacant from year 2013 to 01 July 2019 and officer who have appointed to that post had been transferred on 17 April 2020 and action had not been taken to fill the vacancy up to 31 December 2021.	According to the request made continuously to the Ministry of Public Administration by mentioning about the official requirement of the Department, action was taken to appoint an officer on acting basis for that post from 22.03.2022.	Action should be taken to fill the vacancy remained in the post of Internal Auditor.
(c) A Human Resources Development Plan relating to the year 2021 for the Department had not been prepared.	Preparation activities of the Human Resources Development Plan are commenced.	Human Resources Development Plan should be prepared without delay.
(d) As per the Declaration of Assets and Liabilities Law No 1 of 1975 as amended by Act No. 74 of 1988, out of the 91 officers of the Department, 53 officers had not been submitted Declaration of Assets and Liabilities which required to be submitted annually.	As per the Declaration of Assets and Liabilities Law No 1 of 1975 as amended by Act No. 74 of 1988, 38 officers of the Department had only been submitted the Declaration of Assets and Liabilities.	All the relevant officers should submit Assets and Liabilities Statements as per the (amended) Acts.
(e) Recoveries for the no pay leaves obtained by the offices in the year 2021 had not been updated even up to 30 April 2022.	Leaves obtained by the officers in the year 2021 is being updated by now, due to reasons such as prevailed Covid pandemic situation and called to the duties on rotation basis from time to time.	Recoveries for the no pay leaves should be updated without delay.