

Head 250 – Department of State Accounts

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of State Accounts for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 State Accounts was issued to the Accounting Officer on 31 May 2022 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 18 July 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report is presented to Parliament in terms of Section 10 of the National Audit Act, No.19 of 2018 which is read in conjunction with Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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 State Accounts as at 31 December 2021, 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 Chief Accounting Officer and 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 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 skepticism 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 Department'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 Performance

The following observation was made in relation to the main ledger accounts.

Audit Observation	Comments of Accounting Officer	Recommendation
<p>The advance accounts, deposit accounts, public officers' mutual guarantee fund account, crown agents' remittance account and crown agents' exchange loss account had been maintained under main ledger accounts by Department of State Accounts. The receipts and payments of advance accounts and deposit accounts had been presented separately in Statement of Financial Performance. Rs. 281,578 as receipts and Rs. 278,633,944 as payments of main ledger accounts had been stated without stating details of other three accounts. A disclosure had not been stated in the financial statements for those consolidated receipts and payments.</p>	<p>The formats on the report of financial performance had been prepared to relevant for all reporting entities commonly. It was noted to make changes to formats in future.</p>	<p>It should be explained in the financial statements if only two accounts were shown in detail and the other accounts were consolidated out of the accounts that can be consolidated based on same matter.</p>

1.6.2 Imprest Adjustment Account

The following observation was made.

Audit Observation	Comments of Accounting Officer	Recommendation
<p>The imprest balance was Rs. 22,638,476 as at 31 December 2021 according to financial performance statement of year 2021. The imprest adjustment balance was Rs. 22,638,476 as at 31 December 2021 as per the imprest reconciliation statement in amended ACA-7 format. When that balance had been adjusted with financial performance statement balance, it was Rs. 45,276,952. Although the imprest adjusted balance should be minus (-) Rs. 22,638,476, the balance of imprest account should be zero as per the notes in financial performance statement had not been presented logically due to the amended ACA 7 format not presented correctly.</p>	<p>The total of imprest balance at the end of the year, the balance of imprest reconciliation statement and the balance of financial performance statement as at 31 December 2021 according to paragraph 7.5 in State Accounts Guidelines Number 2021/03 dated on 26 November 2021 which related to preparing financial statements of 2021 should be equal.</p>	<p>The instructions notes should be presented logically which issued from the letter number SA/MAA/02/01/01 and dated on 30 December 2021 by Director General of State Accounts.</p>

1.6.3 Cash Flow Statement

The following observation was made in relation to cash flows generated from investing activities.

Audit Observation	Comments of Accounting Officer	Recommendation
<p>Although sum of Rs. 10,307,311 was stated as building or acquisition of physical assets and acquisition of other investment under cash payments of cash flow generated from investment activities in cash flow statement for the year ended 31 December 2021, that balance was Rs. 2,731,589 for the year under review and therefore the net cash flow generated from investing activities had been over started by Rs. 7,575,722.</p>	<p>It was noted to include instructions required to prepare cash flow statement in most suitable manner into the guidelines of preparing accounts in year 2022.</p>	<p>Preparation of financial statements through suitable formats and guidelines should be formalized.</p>

1.6.4 Non-maintenance of Registers and Books

The following observation was made.

Audit Observation	Comments of Accounting Officer	Recommendation
It was observed that there were differences between the format Tr. & Aud. 66 in Board of Survey report of the Department and main inventory book of the Department for the year ended 31 December 2021 and, updating and maintenance of main inventory book was not in a satisfactory level.	The actions are being taken to update and maintain the main inventory book of Department of State Accounts by balancing properly and brought forwarding the balances as at 01 January 2022.	It should be updated and maintained.

2. Financial Review

2.1 Management of Expenditure

The following observations were made.

Audit Observation	Comments of Accounting Officer	Recommendation
(a) The provision of Rs. 75,000 on expenditure object code of property loan interest for government officers (1506) which had taken from supplementary allocation had been saved without utilizing in the year under review.	These provisions were saved due to the officers who transferred in to the department during the year 2021 were not requested the property loan as expected.	The provisions should be made through supplementary allocations only for the essential expenditure.
(b) Although the provision of Rs. 50,000 on expenditure object code of machine and equipment (2002) had made from annual budget estimate, the entire provision had been saved by the end of the year under review.	These provisions were saved due to the requirement of rehabilitation and upgrading of machines were not incurring during the year due to efficient use of machines.	The annual expenditure estimates should be prepared accurately and realistically as per F.R. 50.

- (c) Due to the over provisions made available for a recurrent expenditure and 02 capital expenditure objects, a provision totaling Rs.8,285,945 had been saved at the end of the 31 December 2021 and it was ranging from 55 per cent to 90 per cent of the net provisions of each object codes.
- The provisions were saved due to foreign exchange had not been issued to pay annual contribution fee of AGOA (Association of Government Accounts) by the bank since there was a shortage of foreign exchange within the country, resident training of office staff had been cancelled as planned and the customized Accounting Standards prepared for government institutions within interim time period had not been approved.
- The annual expenditure estimates should be prepared accurately and realistically as per F.R. 50.

2.2 Advance Accounts

2.2.1 Public Officers' Advance Account

The following observation was made.

Audit Observation	Comments of Accounting Officer	Recommendation
A sum of Rs. 297,799 loan balance due as at 17 December 2008 from a deceased officer and officer who vacated on post from 04 December 2013 and the department had failed to recover even by the end of the year under review.	An inquiry had been made from Legal department to take legal actions to recover due amount of Rs. 164,953 loan balance from an officer from National Insurance Trust Fund. It was informed in writing that another officer is agreed to pay loan balance by cash after filing a case to recover due balance of Rs. 132,846. The letter had been presented to the Legal Department for further legal action.	Adequate further steps should be taken to recover or settle the outstanding loan balances.

2.2.2 Miscellaneous Advance Account

The balance of Rs. 142,510,262 was in Miscellaneous Advance Account as at 31 December 2021. The following observations were made in this regard.

Audit Observation	Comments of Accounting Officer	Recommendation
<p>(a) A balance of Rs. 136,188,477 was in miscellaneous advance account as at 31 December 2021 and it was outstanding from over 5 years. Out of that balance, Rs. 118,050,237 or 87 per cent was recoverable from Polonnaruwa, Anuradhapura and Ampara District Secretariat. The Department had failed to recover that outstanding balance even by the end of the year under review.</p>	<p>The outstanding balance of Rs. 142,510,261.69 was in miscellaneous advance account as at 31 December 2021. There was no possibility to intervene directly to recover advances and the Department of State Accounts acts only as an intermediary to recover these due advances. However, actions had been taken to recover outstanding amounts by giving instructions and assistance to relevant District Secretariats and Agrarian Development Centers through frequent follow-ups.</p>	<p>Adequate future actions should be taken to recover the outstanding debt balances by formalizing the follow up actions.</p>
<p>(b) Although the arrears advance balance of Rs. 1,652,917 of Trincomalee Divisional Secretariat was outstanding from 31 December 2016 and out of the Rs. 2,408,460 advance issued in connection with the robbery of the salaries that took place on 22 January 2002 at the Dental Institute of Colombo, balance of Rs. 2,288,037 was unsettled and coming from since 22 January 2002, actions had not been taken to recover or write off these arrears advance balances even 31 March 2022.</p>	<p>Even though Rs. 1,652,917 debt balance has been settled by Trincomalee Divisional Secretariat which should be recovered from CWE, that institute was informed that, the proper documents had not been available, hence that amount is in arrears. The examining committee had been appointed to take further decisions according to the instructions given by department to settle them.</p> <p>Rs. 120,423 had been charged and credited to the government revenue which is 5 per cent from the salary of the accused officer who engaged the robbery of cash at the Dental</p>	<p>Adequate further actions should be taken to recover the outstanding debt balances by formalizing the follow up actions.</p>

Institute of Colombo. That amount had been credited to the Miscellaneous Advance Account by withdrawing from the government revenue. The present condition had been requested from the case filed in order to take decisions to settle the balance amount.

- (c) The advance balance of Rs. 349,477 was remaining from over 7 years which should be recovered from Kurunegala District Secretariat and the advance balance of Rs. 12,552,764 was remaining from year 2019 which should be recovered from Agrarian Service Department were not be able to recover even by the end of the year under review.
- The Chief Accountant of Kurunegala District Secretariat had agreed to take recommendation by appointing formal examining committee to take actions to settle amount of Rs. 349,477 which should be settle by Kurunegala District Secretariat. It was informed to Agrarian Development Department to give report of the amount which should be settled by Agrarian Development District Secretariat, Anuradhapura.
- Adequate further actions should be taken to recover the outstanding debt balances by formalizing the follow up actions.
- (d) The advance of Rs. 6,321,785 had been released to Ministry of Health, Nutrition and Indigenous Medicine on 02 March 2019 regarding robbery of cash in Anuradhapura Teaching Hospital had been failed to recover even by 17 may 2022.
- It was informed that, the police investigation was doing by Police Station, Anuradhapura in relating to recoverable amount of Rs.6,321,785 by Ministry of Health, Nutrition and Indigenous Medicine and people who responsible for the robbery had not been identified yet and therefore investigation division of Ministry of Health had started the investigation again. Further action will be taken after completing the activities of investigation.
- Adequate further actions should be taken to recover the outstanding debt balances by formalizing the follow up actions.

2.3 Incurring of Liabilities and Commitments

The following observations were made.

Audit Observation	Comments of Accounting Officer	Recommendation
(a) The liabilities valued at Rs.100,059 in the Statement of Liability – (i) in Note (iv) of financial statement at the end of the year 31 December 2021 had not been entered in to the treasury printouts (SA-92).	Some recurrent expenditure vouchers had entered in to expenditure under 2022 by omission.	Formal process should be introduced to identify total liabilities and commitment related to financial statements.
(b) The department had entered in to an agreement on 15 July 2019 for 12 months period for the process of converting government accounting system from modified cash basis to accrual basis with technical consultancy firm. As per the letter number SA/MAA/02/02/03/-vol(iii) dated 12 January 2022 of Director General of State Accounts, the deliverables according to the agreement had been presented by that firm and the amount of Rs.16,629,560 should be paid for that services had not been identified as liabilities and commitments as at 31 December 2021.	The draft report of relevant deliverables had been presented on agreed date by technical consultancy firm. However, the payments for this have been made after presenting final report by amending that reports as for the requirement of Department of State Accounts. The other tasks are depending on the approval of accounting framework and standards. Due to the above situation the amount due to technical consultancy firm had not been identified as liabilities and commitments.	Formal process should be introduced to identify total liabilities and commitment related to financial statements.

3. Operating Review

3.1 Non-achievement of expected Outcome

(a) A process of converting government accounting system from modified cash basis into accrual basis

According to the Budget Proposal No. 254 of the year 2018, the resolutions had been passed to prepare the financial statements on an accrual basis within the next 10 years and following observations were made in this regard.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(i)	The approval for the amendments made in relation to the activities included in the Road Map which presented in the process of preparing the financial statements on an accrual basis had not been taken even by 12 May 2022.	The approval for the amended road map had not taken yet and after taking certain policy decision, relevant approvals will be taken for the amended road map.	The approvals should be taken to road map after taking relevant policy decisions promptly.
(ii)	According to the Action Plan of year 2021, even though when executing this task as a sub project of Department of State Accounts by providing budget allocations, it had been included that, “the introduction and maintenance of accounting procedure for the interim period”, only prepared the draft accounting framework based on Sri Lanka Public Sector Accounting Standards (SLPSAS)/ International Public Sector Accounting Standards even by 19 May 2022.	Although drafted accounting framework and 15 Accounting Standards for the interim period had been presented to the Auditor General, due to not receiving the recommendations for the stated facts from Auditor General until now, the relevant accounting framework and standards are still in draft stage.	The approvals should be taken to Accounting Standards prepared from the institute where Accounting Standards has issued in Sri Lanka.
(iii)	As per the provisions of paragraph 28 of Sri Lanka Public Sector Accounting Standards (SLPSAS) No. 01, “financial statements should not be stated to be in conformity with Sri Lanka Public Sector Accounting Standards unless the financial statements comply with all the requirements of each standards, it was informed that from the letter dated 21	Since it is not possible to use Sri Lanka Public Sector Accounting Standards completely in the interim period within the existing legal frame, the 15 separate Accounting Standards based on Sri Lanka Public Sector Accounting	The approvals should be taken to Accounting Standards prepared from the institute where Accounting Standards has issued in Sri Lanka.

September 2021 of Director General of State Accounts, although the sufficient disclosures had not been made in the financial statements to justify the use of current Sri Lanka Public Sector Accounting Standards (SLPSAS) on cash basis for the interim period and to justify the exemptions from that, and it was stated in the road map prepared and presented on 13 July 2020 by technical consultant that, the management of Department of State Accounts had been decided to use only the selected accounting guidelines without using complete standards for the interim period.

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| (iv) | As mentioned above, although it was stated that, the sufficient disclosures had not been made in the financial statements to justify the use of SLPSAS for the interim period and to justify the exemptions from them, it was observed that, there were number of deviations in draft accounting standards prepared for the interim period that is Sri Lanka Government Accounting Standards (SLGAS). Hence, it was observed that, it is no point of deviating from SLPSAS and preparing new accounting standards for interim period. | Since it is not possible to use Sri Lanka Public Sector Accounting Standards completely in the interim period within the existing legal frame, the 15 separate Accounting Standards based on Sri Lanka Public Sector Accounting Standards had been drafted to use practically in the interim period. | The approvals should be taken to Accounting Standards prepared from the institute where Accounting Standards has issued in Sri Lanka. |
| (v) | According to the special conditions (amended) in paragraph 2.3 of the consultancy service agreement of the Department of State Accounts and Ernst and Young Institute for the converting process of government accounting system from modified cash basis to accrual basis, although this agreement had been expired within 12 months from the agreed date, the actions had not been taken to relevant amendments even by 12 May 2022. | The relevant amendments for the agreement will be taken after taking precise policy decision about the converting process. | The action should be taken to work accordance with the time period stated in the agreement. |

(b) Compilation of government financial statistics

The following observations were made in relation to classification of financial data and compilation of government financial statistics according to Government Financial Statistics Manual -2014 (GFSM – 2014) as a member country of International Monetary Fund.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) The Terms Of Reference (TOR) for the Coordinating Committee (CC) has been remained at the draft stage and Technical Assistance Mission held in February 2022 had emphasized to finalize that activities and sign the agreements.	Terms Of Reference (TOR) will be discussed in future at the Coordinating Committee (CC) meeting and it was expected to finalize Terms Of Reference in the next Technical Assistance Mission.	Terms Of Reference should be finalized in Technical Assistance Mission.
(ii) Although the agreed target dates for collecting and compiling annual Government Finance Statistics (GFS) for Budgetary Central Government (BCG) Extra Budgetary Units (EBU) for financial year 2015 – 2018 was on August 2021, the activities had not been completed even by 31 May 2022.	Before compiling extra budgetary units, all state owned enterprises entities should have been evaluated and classified from 2015 to 2018. Collection process of the financial statements of State Owned Enterprises had been delayed due to not preparing the financial statements by some institutions and failing to provide financial statements on due time period by those institutions.	Activities of collecting and compiling of Government Financial Statistics should be completed promptly.
(iii) Although it is needed to analyze financial performance and financial position data as per the Government Financial Statistics Manual -2014, only income statement data had been used in analytical review of Extra Budgetary Units by department.	Analysis of State Owned Enterprises and compilation of Government Financial Statistics of Extra Budgetary Units are two different activities. Only financial performance data has been used to analyze State Owned Enterprises. Financial performance and financial position data has	Activities of compilation of Government Financial Statistics and analyzing of State Owned Enterprises should be completed promptly.

been used to compiling Government Financial Statistics of Extra Budgetary Units.

- (iv) Although the annual GFSM 2014 based Government Financial Statistics for a partial (BCG) Central Government for financial year 2015 and Government Financial Statistics for Budgetary Central Government for financial year 2015-2018 according to the detailed action plan given by Technical Assistance Mission in 2019, had to disseminate International Monetary Fund by September 2020 and June 2021 respectively, the department was unable to disseminate them.
- The Government Financial Statistics for partial Central Government for the year 2015 and Government Financial Statistics for Budgetary Central Government for 2015-2018 had been compiled by the Department of State Accounts. These compiled Statistics cannot be disseminated to International Monetary Fund until the approval of higher authorities of Ministry of Finance and Central Bank has taken.
- The Government Financial Statistics for partial Central Government which had formal approval and Government Financial Statistics for Budgetary Central Government have to be presented to relevant institutions in relevant time periods.

- (v) The following recommendations given by Technical Assistance Mission in year 2019 had not been executed even by 12 May 2022.
- Due to following reasons the recommendations given by Technical Assistance Mission in year 2019 had not been executed.
- The recommendation given by Technical Assistance Mission should be executed.

**Recomm
endation**

Description

3 The authorities should compile a preliminary estimate of local government for the most recent four years.

6 The SAD should secure the collection of quarterly revenue expenditure and financial balance sheet data for public enterprises.

- Coverage of institutes for compiling Government Financial Statistics need to be expanded gradually and it required lot of effort.

- Although the recommendations had been given to prepare Government Financial Statistics quarterly, execution of those recommendation were not practical due to not preparing the quarterly financial statements by State Owned Enterprises.

- 10 The adoption of market and nominal valuation for all assets and liabilities. A policy decision needed to be taken before executing some recommendations given by Technical Assistance Mission.

(c) Opening and maintaining of deposit accounts

The balance of Rs. 82.32 billion was in deposit accounts as at 31 December 2021 and the following observations were made in this regard.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) The net balance of deposit accounts was Rs. 82.32 billion. This balance had been calculated by adjusting sum of Rs. 10.93 million of debit balances of District Secretariat and Department of Treasury Operations.	Observation is correct. This was incurred due to the incorrect accounting entry in transfer sheet which entered in year 2007 in relation to deposit account number 6003/0/0/01/00/00 of District Secretariat Colombo which has debit balance of Rs. 10 million and it was informed to District Secretariat Colombo to rectify that error through summary of accounts.	Remaining debit balances in deposit accounts is not correct accounting and therefore actions should be taken to rectify such situations.
(ii) It was expected to make zero the deposit accounts in category 6003 according to State Accounts Circular No. 243/2015 dated 24 June 2015 and it had been instructed to carry out such activities through annual estimate from year 2016. However, a total balance of Rs. 10 million under Accounts No. 6003/1 were being brought forward without settling and that balance was remaining from several years.		The relevant provisions in circulars should be performed.

- (iii) The value totaling Rs.2,043,617,947 in 104 deposit accounts at 20 institutions selected on sample basis had been remained from 02 years to 05 years. According to the presented reconciliation statements of deposit balances and age analysis reports by 187 institutions in relation to deposit accounts exist over the period, the relevant institutions had been instructed in writing to act according to F.R 571 regarding deposits which expired under F.R. 570. Actions should be taken in relation to expired deposits as per financial regulations.
- (d) **The activities of Public Service Mutual Guarantee Association**

Audit Observation	Comments of the Accounting Officer	Recommendation
Public Service Mutual Guarantee Association had been established under Extra Ordinary Gazette No. 9773 which published on 24 September 1947 to maintain the requirement showed under financial regulation from 880 to 893 and Security Certificates had been issued to 4,870 members by 12 May 2022. The balance of Rs. 370,023 was in Public Service Mutual Guarantee Association account as at 31 December 2021. Furthermore, the amount of security should be furnished by each officers had not been amended even by 12 May 2021.	Public Service Mutual Guarantee Association is only one of the institutions established for government officers who should furnish security and the Association does not have legal authority to decide the amount of security that should be furnished by members.	The relevant authorities should be informed the circumstances where it needs to be updated by Public Service Mutual Guarantee Association which is one of the institutions to be furnished securities.

3.2 Assets Management

The following observations were made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The value of other machinery and equipment purchased during the year under review included in the balance of non-financial assets of Rs. 40,122,186 as at 31 December 2021 was Rs. 2,731,589. According to the ACA	The amounts of purchases under each category can be confirmed by examining the capital vouchers of year 2021.	The documents should be maintained to confirm the amount of purchases under each category.

– 6 formats, the value was consisted of purchases of office equipment, computer equipment and furniture and sufficient information was not submitted to the audit to confirm the value of purchases under each category.

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| (b) | Although a report should be taken from qualified mechanical engineer of government for the justification of bid prices presented in internal repair of vehicle as per the Public Administration Circular No. 30/2016 dated 29 December 2016, it was observed that without taking such report, repairs had been done with recommendations of transport officer of the Ministry in such instances. | The activities of vehicle repair had been done according to recommendations of transport officer due to the unavailability of qualified mechanical engineer in the Ministry of Finance. Actions have been done to make all the repairs based on the recommendation of mechanical engineer in Presidential Secretariat Office or mechanical engineer in Technical Board from 01 April 2022 onwards. | The relevant reports should be taken from qualified officer as per the instructions of circular. |
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3.3 Security of Public Officers

The following observation was made.

Audit Observation	Comments of the Accounting Officer	Recommendation
The action had not been taken by the officer who assigned to the post of Deputy Director (Accounts) on 11 November 2021 to furnish security as per the Financial Regulation 881 even by 27 April 2022.	The application of Deputy Director (Finance) had been presented to approval.	Actions should be taken according to financial regulations.

4. Human Resource Management

4.1 Assigned Cadre and Actual Cadre

The following observation was made.

Audit Observation	Comments of the Accounting Officer	Recommendation
The 11 senior level vacancies had been remained in 50 vacancies of the Department as at 31 December 2021.	The 3 posts in senior level had been approved in addition to the approved cadre of the department in previous year and eight (08) senior level posts had been approved for the ITMIS division of the department. The Director General of Combined Services had been informed to appoint officers for new posts through Secretary to the Treasury.	Actions should be taken to fill the vacancies or to amend the cadre.