

Head 210 – Department of Government Information

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Government Information for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 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 relevant to the Department was issued to the Accounting Officer on 08 May 2023 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 paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Department as at 31 December 2022 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 responsibilities for the financial statements are 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 Chief Accounting Officer and the Accounting Officer are 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 Chief Accounting Officer and 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 judgement 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. Books and Records not being maintained

The department has not maintained following documents.

Audit Observation	Comment of the Accounting Officer	Recommendation
According to the Financial regulations 891 Security register had not been maintained.	It has started the activities related to obtaining employee security deposits and from the year 2023 I will be maintain the employee security register according to F.R.891.	A security register shall be maintained up-to-date as per the provisions of finance regulation 891.

2. Financial Review

2.1 Expenditure Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) There was a net allocation of Rs.396,000,000 for the department and Rs.295,746,871 had been utilized by the end of the year under review. Accordingly, 14% of recurrent expenditure and 69% of capital expenditure were saved.	There was no requirement as expectations, work from home, Inability to implement various programs due to the prevailing situation in the country and Expenditure control on instructions of circular. Due to such reasons, these provisions have remained	Requesting and disbursement of funds should be done as accurately as possible.

- (b) As per financial Regulation 50, It is the responsibility of the accounting Officer to ensure that the Draft estimates related to their department, arranged in accordance with financial regulations. Out of the total 15 recurring Expenditure heads that had been allocated for the year under review, the allocation of Rs.12,290,000 which had been allocated to 04 recurrent Expenditure heads and 02 capital Expenditure heads had been transferred to 05 other recurrent Expenditure heads and 04 capital Expenditure heads. Therefore, it was observed that the during the audit ,working under the requirements of the financial regulations and estimates were not prepared realistically
- Transfer, retirement of employees, and Due to the taking of Leave with no pay as per the Public Administration Circular of 14/2022/02, Provisions of 1001 and 1002 Expenditure heads has been remained.
 - Due to the existed economic instability of the country, stationery prices, telephone charges and transport charges were increase, therefore it has been stated that the allocations for that purpose were not enough.
- Estimates should be prepared as accurately as possible
- (c) It had been observed that 100 percent in one Expenditure head and aother 27 Expenditure head with savings ranging from 32 percent to 95 percent
- The observations are accepted and the reasons for the remaining's were present separately.
- Estimates should be done accurately.
- (d) from finance regulation No. 66 ,allocations of 09 Expenditure heads also after transfer to other Expenditure heads, it had been observed that remaining savings range from 02 to 22 present
- Because of voucher not presented as expected and inability to obtain goods due to import restriction, the allocations of the Expenditure heads that have been transferred, have remained in the range of 02 percent to 22 percent.
- Requesting and disbursement of funds should be done as accurately as possible

2.2 Incurring of Liabilities and Commitments

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although the limit of provision made for the financial year in terms of Finance Regulation 94(1) should not be exceeded , exceeding the amount allocated for an expenditure item in the department's 2022 financial statements, obtain debts was Rs.816,709.	As a result of in the middle of the year 2022, the increase in telephone charges and the difficulty of controlling telephone and internet expenses according to the role of this department, Expenditure was increased more than the estimated allocation for that year.	Actions should be taken as per the Financial regulations.
(b) According to paragraph 10.1 of Public Finance Circular No 02/2020 at 28 August 2020, in Statement of commitment and Liabilities, Treasury should be in session with the Statement of commitment and Liabilities, (SA 92) issued against each Head of Expenditure. According to the department's financial statements, the balance was Rs.13,457,528, but according to the treasury reports, the balance was Rs.14,297,162 and was not settled by Rs.839,634.	Although commitments have been made in excess of existing allocations in several Expenditure heads. The reason for the above change was the inability to report liabilities in excess of the existing provision while entering liabilities in the CIGAS program.	Arrangements should be made to accurately, to record the accounting obligations of previous years.

2.3 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed in the sample audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Amount Rs.	Non compliance	Comment of the Accounting Officer	Recommendation
(a) Section 16(2) of the National Audit Act, No.19 of 2018	-	A draft of the annual performance report along with the financial statements for the year 2022 had not been submitted to the Auditor General.	The 2022 annual performance report is being prepared and I will submit the draft to the Auditor General as soon as it is completed.	Actions should be taken as per the Financial regulations.
(b) Financial Regulations of the Democratic socialist Republic of Sri Lanka				
(i) F.R.571	7,488,596	Actions had not been taken regarding overdue deposits to credit to the state revenue or to refund and regarding contracts to recover the losses occurred from contracts. Further deposits valued at Rs. 7,488,596 older than 10 years had been included into it.	Retention money relating to construction of New media center was retained in the overdue deposit account. Because of recovery of damages is in progress, The retention money has not been released. And as agreed in the audit and management committee meeting held at the Ministry of Mass Media on	Actions should be taken as per the Financial regulations.

March 29, 2023, this deposit amount is being credited to the government revenue.

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| (ii) F.R.802 (1) | - | <p>Although the head of the department should take action to ensure that the vehicles do not remain idle, from the year 2021 to December 31, 2022, 02 vehicles own by department with a value of Rs.18,400,000 remained idle for a period of 06 months to 23 months.</p> | <p>It was mention that among those vehicle, two vehicles were not repair in the year 2022. Because allocations was not enough to complete these repair. And it is decide to that repair will be complete using allocation of the year 2023</p> | <p>Actions should be taken as per the Financial regulations.</p> |
| (iii) F.R.880 | | <p>Actions had not been taken regarding government money, Revenue stamps or acceptance of consignments or being in charge, In accordance with the Government Officers' Security Ordinance, 33 officers who were required to post security</p> | <p>The department has identified 33 officers who need to be bailed and it is planned to start taking bail money from them in the year 2023.</p> | <p>Actions should be taken as per the Financial regulations.</p> |
| (c) Paragraph of Public Administration Circular No. 05/2008(1) at 06 February 2008 | | <p>It has informed that all government organizations should introduce Citizens'/Clients' Charters in their respective</p> | <p>Citizens'/Client s' Charters is being prepare.</p> | <p>Actions should be taken as per the Circular</p> |

Organizations. It was a written commitment that the services provided by the government organization to the public will be performed promptly, efficiently, qualitatively and continuously.

It has also stated that charter which was formally prepared in such a way that it is well displayed in the office premises in a good visual manner.

And although this need has been emphasized in the indications made about the performance of the organization under the supervision of the Public Accounts Committee, It was observed that the department has not followed the instruction of the circular.

2.4 Issuance and Settlement of Advances

Audit Observation	Comment of the Accounting Officer	Recommendation
The loan balance of Rs. 179,740 due from two officers who have left the service was not recovered and the balance was more than 5 years old.	<p>The outstanding loan balance of Mr. M. Ariyaratne (Clerk) is Rs.56,265.00. In a letter dated 01.05.2023, it has been notified to settle this outstanding loan amount and no response received so far.</p> <p>Mr. DCL de Silva's outstanding loan balance to the government is Rs.127,752.00. In a letter dated December 28, 2022, it has been informed to settle the arrears.</p>	An adequate program should be implemented to recover the loan balance.

3. Operating Review

3.1. Planning

Audit Observation	Comment of the Accounting Officer	Recommendation
The 51 activities of the action plan had not been achieved and 13 activities had less than 50% physical progress. And greater performance than estimated targets in 11 activities, also that was a range between 149 percent and 1107 percent had been shown. Accordingly, it was observed that the planning is at a weak level.	Presence of data entry errors on the progress of certain of its activities, to determine increased performance as requirements arise from time to time, Lack of provision / inadequacy of provision as a result, discrepancies in performance have been shown and action had been taken to correct the relevant errors.	Actions should be taken as per the Action plan

3.2 Procurement

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>(a) According to the public finance circular No. 02/2020 , All accounting officers shall prepare the annual procurement plan for the implementation of recurring and capital programs in the coming year according to the subjects and tasks assigned to their organization before December 10 of the transition year.</p> <p>And it should be forwarded to the, obtain the approval of the Chief Accounting Officer and the Procurement Commission, Auditor General and Public Finance department, but it was not submitted on the due date.</p>	<p>Observations are correct.</p> <p>It had been noted that the procurement plan submission without further delay.</p>	<p>Actions should be taken as per the Circular</p>
<p>(b) According to the government procurement manual 4.2, the main procurement plan should be prepared by listing the expected procurement activities for a period of at least 03 years. And the procurement activities for the next year should be prepared in detail. But department prepared procurement plan was only for the year 2022. Therefore the expected objectives of the procurement plan were not fulfilled and the procurement plan was not updated once in 06 months as per 4.2.2(e).</p>	<p>Observations are correct.</p> <p>And noted to prepare the procurement plan for the next 03 years and also it should be updated at least every 6 months</p>	<p>Actions should be taken as per the government procurement guidelines</p>

4 Achievement of Sustainable Development Goals

Audit observation	Comments of the Accounting officer	Recommendation
Identify the risk of not being able to continue to obtain the resources and capacities needed to achieve the Sustainable Development Goals and Prepare a proper procurement plan as measures to be taken to minimize them, it had not been attention to inform officials and take necessary action also appointing a committee to implement the decisions.	Sustainable development objectives of the department have not been prepared yet and will preparing a proper procurement plan in the future , appoint a committee to inform the officials and implement the necessary solutions and decisions	Actions should be taken according to the circular.

5 Good Governance

5.2 Internal Audit

Audit observation	Comments of the Accounting officer	Recommendation
According to the Section 40 (I) of the National Audit Act No.19 of 2018, Although the accounting Officer should have appointed an internal auditor for the department, no internal auditor had been appointed for the department till 08 May 2023	Mr. T. P. Hettiarachi Niladhari, who works as the Chief Internal Auditor of the Department of Posts, has been appointed to from April 03, 2023 , to the cover of duties of the post of Internal Auditor in the Government Information Department. A government audit unit had been established.	Actions should be taken according to the section 40 (1) of the National Audit Act No.19 of 2018.

6. Human Resources Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) According to the instructions of the public enterprise Circular No. 02/2018 dated January 24, 2018, no human resources development was done during the year under review.	Currently, no human resource plan has been prepared and it is to be prepared in 2023	Actions should be taken to as per the circular.
(b) At the end of the year under review, the existence of 121 vacancies including 08 senior level vacancies, 89 secondary level vacancies and 24 primary level vacancies had affected maintaining an effective service level.	Internal recruitment for senior level posts has been initiated. Also with the abolition of various institutions from time to time for the departmental vacancies of secondary level and tertiary level officers, those officers have been assigned to the Government Information Department. Recruitment for approved posts has been started but as per the circulars issued by the government, the recruitment has been temporarily stopped. The appointment to the posts in the Joint Service is done by the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government through appointments, transfers.	Effective service should be maintained by following proper work assignments and promotion procedures.