

Appropriation Head 255-District Secretariat, Colombo

Report of the Auditor General – Year 2012

1.1 Main Functions of the District Secretariat

-
- a) Initiation of poverty alleviation
 - b) Coordination of elections
 - c) Planning and direction of development projects
 - d) Administration of disaster relief and rehabilitation projects
 - e) Administration of district projects , guidance and revenue collection

1.2 Divisional Secretariats under District secretariat

-
- | | | |
|----------------|--------------|-------------------------|
| (a) Seethawaka | (e) Moratuwa | (i) Sri Jayawardanepura |
| (b) Padukka | (f) Dehiwala | (j) Kesbewa |
| (c) Ratmalana | (g) Kaduwela | (k) Homagama |
| (d) Maharagama | (h) Colombo | (l) Kolonnawa |
| | | (m) Thimbirigasyaya |

1.3 Scope of Audit

The Appropriation Account including the financial reports, reconciliation statements, books, registers and other records of the District Secretariat, Colombo for the year ended 31 December 2012 were audited in pursuance of provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the District Secretary on 18 November 2013. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and the reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and the Reconciliation Statements.

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions of Articles 148,149,150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Financial and Administrative Regulations. This responsibility

includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

1.5 Audit Observations

According to the financial records and the books for the year ended 31 December 2012, it was observed that except for the general observations appearing in (a) to (d) and other major audit observations appearing in paragraphs 1.6 to 1.8 of this report, the Appropriation Account and the Reconciliation Statements of the District Secretariat, Colombo had been satisfactorily prepared.

(a). Non- maintenance of Books and Records

The value of 145 misplaced vouchers as at 31 December 2012 in the District Secretariat amounted to Rs. 5,040,360. As the other evidence had been destroyed by sudden fire occurred in the office building on 26 November 2012, this could not be satisfactorily vouched in audit.

(b) Appropriation Account

i. Total Provision and Expenditure

The total net provision made for the District Secretariat for the year under review amounted to Rs. 764,042,714 out of which a sum of Rs. 686,363,290 had been utilized by the end of the year under review. Accordingly, the net savings amounted to Rs.77,679,424 representing 10 per cent of the total net provision. Particulars are given below.

Expenditure	Estimated Provision as at 31 December 2012	Net Provision as at 31 December 2012	Savings as at 31 December 2012	Savings as a Percentage of Net Provision
	Rs.	Rs.	Rs.	
Recurrent	444,550,000	549,042,714	8,927,047	2
Capital	215,000,000	215,000,000	68,752,377	32
Total	659,550,000	764,042,714	77,679,424	

ii. Budgetary Variance

Over provisions had been made for 05 Objects and as such, the savings thereunder after utilizing the provisions ranged between 11 per cent to 45 per cent of the net provision of those objects.

iii. Utilization of Provisions received from other Ministries and Departments

The District Secretariat had received provisions totaling Rs. 5,950,841,414 comprising sums of Rs. 2,702,793,214 and Rs. 3,248,048,200 respectively from 18 Ministries and 09 Departments for various purposes. Out of that, a sum of Rs. 5,654,523,270 comprising Rs. 2,552,131,310 and Rs. 1,102,391,960 respectively had been utilized up to the end of the year under review. Accordingly, it was observed that a sum of Rs. 296,318,144 or 4.97 per cent of the provision received, had been saved.

The following observations are made in this regard.

Provisions of Rs.10,000,000 had been received from the Ministry of Economic Development under Divi Neguma farming programme for the programme of Distribution of chicks and out of which a sum of Rs.6,128,500 had been utilized . Proper contribution of the officers had not been given to follow up the planned objectives of the project due to several reasons such as non –participation of all beneficiaries for training programs in implementing the distribution of chicks project, , non-inspection of facilities in adopting chicks .Non-distribution of chicks in a proper proportion of male female chicks among beneficiaries, according to the type of chicks selected for the distribution , those types of animals did not have the ability to breed chicks for the future period.

(c). Advances to Public Officers Account.

Limits Authorized by Parliament.

Limits authorized by Parliament in respect of Advances to Public Officers Account, bearing item No.25501 and the actual values are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
47,000,000	35,901,178	34,000,000	36,421,071	186,000,000	
165,487,614					

(d) . General Deposit Accounts

The total of the General Deposit account balances of the District Secretariat as at 31 December 2012 amounted to Rs. 522,953,937 and the details are given below.

Account Number	Balance as at 31 December 2012
	Rs.
6003/0000/00/0001/0000/000	(20,795)
6003/0000/00/0031/0000/000	518,492,289
6003/0000/00/0001/0000/004	(4,482,442)
6003/0000/00/0001/0004/000	8,964,885

The following observations are made.

According to the books of the Department , the balance of the General Deposit Account No. 6003/0000/00/0001/0000/000 as at 31 December 2012 was a debit balance of Rs. 20,795 whereas according to the Treasury books, the balance as at 31 December 2012 was Rs.14,503,238. Accordingly, a difference of Rs.14,482,442 between the books of the Department and the Treasury books was observed. Even though 2 deposit accounts bearing numbers 6003/0000/00/0001/0000/004 and No. 6003/0000/00/0001/0004/000 had been dormant as at 31 December 2012, action had not been taken to settle the net credit balance of these accounts totaling Rs.4,482,442.

1.6 Accountability and Good Governance

1.6.1 Corporate Plan

According to the letter No. PFR/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance , addressed to all Secretaries of the Ministries, Chief Secretaries of the Provincial Councils, Heads of Departments, District Secretaries and Heads of Local Authorities ,a Corporate Plan should be prepared at least for 3 ensuing years from 2010 onwards by the District Secretariat. However, such a plan had not been prepared even by 31 December 2012.

1.6.2 Annual Performance Reports

Even though the Annual Performance Report that should have been prepared by the District Secretariat in terms of the Public Finance Circulars No.402 and 402(1) dated 12 September 2002 and 20 February 2004 respectively, stated in the letter of the Director General of Public Finance, mentioned in the paragraph 1.6.1 above, should be tabled in parliament within 150 days after the end of the financial year with a copy to the Auditor General, the performance report for the year under review had not been tabled in Parliament even by 09 July 2013.

1.6 Annual Procurement Plan

In terms of National Budget Circular No.128 of 24 March 2006, the Annual Procurement Plan had not been prepared even by 31 December 2012.

1.7 Losses and Damage

Observations revealed during audit test checks on losses and damage are given below.

- (a) Action in terms of the Financial Regulations in respect of losses caused for the period less than 5 years amounting to Rs.468,718 and 5 to 10 years amounting to Rs.170,835, shown in the Statement of Losses as a note in the Appropriation Account as at 31 December 2012 had not been taken.
- (b) The Department of Valuation had estimated the value of loss caused to the Secretariat Building due to the fire occurred on 26 November 2012 at Rs.76,000,000 and in accordance with the report of the Board appointed for the purpose in terms of Financial Regulation, the value of loss of inventory articles amounted to Rs. 16,606,688. Accordingly, the total value of loss amounted to Rs. 92,606,688 . The final report in this connection had not been furnished even by 30 October 2013 in terms of Financial Regulation 104 (4).

1.8 Human Resources Management

(a) Approved Cadre and Actual Cadre

The cadre position as at 31 December 2012 is given below.

Category of Excess Staff	Approved		Actual		Number of Vacancies	Cadre
	Cadre	Cadre	Cadre	Cadre		
i. Senior Level	63	63	02	02		
ii. Tertiary Level	24	18	06			
-						
iii. Secondary Level	1105	883	228	06		
iv. Primary Level	133	121	12			
-						
Total	1325	1085	248	08		

The following observations are made

- I. Action had not been taken to fill 248 vacancies by the end of the year under review.
- II. Action had not been taken to obtain the formal approval for the excess cadre recruited.