

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 2019 comprising the statement of financial position as at 31 December 2019 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 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 30 June 2020. 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 13 August 2020. This report is presented to the Parliament 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.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements prepared in accordance with the provision of State Account Circular No. 271/2019 of 03 December 2019 give a true and fair view of the financial position of Department of Meteorology as at 31 December 2019 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

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 opinion.

1.3 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

Management 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 Section 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 of Meteorology.

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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements 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

In terms of Sub-section 6 (1)(d) and Section 38 of the National Audit Act, No.19 of 2018, I state the followings.

- (a) As per the observation included in the paragraph 1.6.1(b) of this report, the financial statements had not been consisted with preceding year.
- (b) The Recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comment on the Financial Statements

1.6 Statement of Financial Position

The following observations are made.

Audit Observation	Recommendation	Comment of the Accounting Officer
(a) Eventhough the value of the property, plant and equipment was Rs. 3,854,080,777 as per the final accounts record of the General Treasury, it was shown as Rs. 3,854,219,111 in the statement of financial position by understating of Rs. 138,334.	Account should be prepared accurately by reconciling with the final account record of the General Treasury.	The value had been shown by deducting Rs. 138,334 by the General Treasury had which was included under another heading.
(b) Eventough balance brought forward as at 01 January 2019 pertaining to 08 type of assets was Rs. 252,557,831 in the statement of non- financial assets, it was Rs. 62,983,121 as at 31 December 2018 and difference of Rs. 189,574,710 was observed.	The reason for the difference should be disclosed by the financial statements.	It had been informed that it is difficult to change the format and submit the data, as the final accounts are standard forms as per Public Account Circular No. 271/2019.
(c) Cost of Rs. 408,825,422 incurred from 2007 to 2013 on the procurement of Doppler Radar System had not been brought to account and the amount of Rs. 322,926,702 remained at the Trustee Fund of the World Meteorological Association had been remitted to the Department of Meteorology in December 2019. Out of that Rs. 1,000,000 hold at the Department and balance amount had been remitted to the General Treasury on 24 December 2019. Further, equipment remained at the tower valued at Rs.9,146,765 on January 2016 had been lost. No any notes had been disclosed on the transaction in the financial statements.	Action should be taken to disclosed this transaction and assets in the financial statements based on the instruction of the General Treasury.	As it was a Department of Grade A, a sum of Rs. 1 million was retained and the balance amount was remitted to the Treasury Operations Department. The value of the Dollar at that time was Rs. 110 and presently it was Rs. 179. Therefore, remained balance was Rs.322.

1.6.2 Reconciliation Statement of the Advance Account of Public Officer

Audit Observation	Recommendation	Comment of the Accountant
Action had not been taken to recover the loan balances of Rs.138,922 due from three officers who leave their service before 05 years and Rs. 97,166 due from officers who died before 01 year.	Action should be taken to recover either from guarantor or write off on the approval of the General Treasury.	Action is being taken to recover the loan and Department of Pension was inform on 12 March 2020 that the recovery had been made from the death gratuity.

1.6.3 Non-compliance with Law, Rule and Regulation

Reference to the law, rules and Regulation	Observation value	Non-compliance	Recommendation	Comment of the Accounting Officer
Financial Regulation 571	179,935	Eventhough deposit over 02 years requied to be credited to the relevant account or government income, it had not been done as it is.	Action should be taken as per Financial Regulation	Action is being taken as per the FR 571.

2. Financial Review

21 Management of Expenses

The flowing observations are made.

Audit Observation	Recommendations	Comments of the Accounting Officer
(a) Total net allocation for capital and recurent expenditure for the year under review was Rs. 522,320,000 and out of that Rs. 331,770,294 representing 64 per cent had been utilized. Allocation of Rs. 155,280,000 pertaining to 06 capital expenditure object had been remained at a range of 40 per cent to 100 per cent, due to allocation had been made without proper study.	Action should be taken to recognize the real financial requirement in preparing the estimates and utilized the allocations in effective manner.	Allocation had been remained without being utilized due to delays in settlement of the bills of some completed projects.

- (b) Even allocation of Rs. 12,930,383 Annual expenditure Comment not received.
made for the expenditure object had estimate should be
been remained unspent, allocation of prepared so as to achieve
Rs. 28,250,000 had been made by a the instructions stipulated
supplementary estimate. Out of that Rs. in the Financial
41,180,383 equivalent to 81 per cent Regulation 50.
had been remained unspent under the
capital object.

2.2 Liabilities and Commitment Entered

Audit Observation	Recommendation	Comment of the Accounting Officer
Seven liabilities aggregating Rs.549,071 had not been shown in the financial statements.	Liability should be calculated accurately.	Liabilities submitted for the payment had only been included in the financial statements at the time of preparation of financial statements.

3. Operating Review

3.1 Procurement

The following observations are made.

Audit observation	Recommendation	Comment of the Accounting Officer
(a) Eventhough it was required to use the Automatic Meteorology Instrument instead of using Instrument to obtain information on meteorology as per the criteria of the World Meteorological Association by the year 2020, it was observed that the contribution of the Department had remained at low level thereon. Eventhough 2 ½ years lapsed, the procurement activities for obtained IP/VPN communication technology had not been completed by the Dialog Axita institution, due to satellite which had connected to Automatic Meteorology System had remained out of the earth orbit, Fur-	Automatic Meteorology Centres required to be taken to operational conditions by maintaining properly and action should be taken to obtain the communication connection in due date. Further, Action should be taken to regularized the procurement process by obtaining bid bonds on the formal contract entered.	Action had been taken to use telecommunication instruments instead of Mercury Instrument. However, there is a decline, due to not being systematic of the communication connection. Eventhough an agreement had been signed, it was not a formal agreement.

ther, written formal agreement had not been made available for the procurement activity as per the paragraph 8.9.1 of the Procurement Guidelines.

- (b) The allocation of Rs. 22.75 million made for the 2019 had not been utilized, due to formal contract agreement had not been signed and procurement activities had not been carried out after doing the procurement activities in 2018 for the procurement of Hidrigen Generator by the Department of Meteorology. Eventhough allocation had been made by the supplementary estimate thereon, procurement activities could not be carried out, due to weakness of the procurement process. Accordingly, allocation of Rs. 100 million made in 2018 and Rs. 45 million made in 2019 could not be utilized.
- Allocation should be utilized by doing procurement activities formally.
- Eventhough allocation had been received to complete the procurement activity in 2019 as Hidrigen Generator could not procure in 2018, procurement could not be completed, due to increase of the price of the Generator.

3.2 Management Inefficiencies

Audit Observation	Recommendation	Comment of the Accounting Officer
<p>An agreement was signed with the Government of Sri Lankan on 30 June 2017 to provide a grant of Japan Yen 2,503,000,000 by the Japan International Cooperation Agency to establish Doppler Radar System in Puttalama and Pothuvil Meteorological Centers in order to observed rain conditions and affiliates weather condition in good manner in Island and obtained the support for early warning system on bad weather condition . The Government of Sri Lanka will also have to bear a sum of Rs.</p>	<p>Action should be taken to carry out the construction of the radar towers in accordance with the agreement without any delay and transfer the ownership of the land which meteorological center is situated where the towers are being constructed to the Meteorological Department.</p>	<p>Work is being carried out to obtain power for the radar towers and work had been done to acquire the land on which the Pottuvil radar tower is being constructed. However, ownership had not been transferred up to now.</p>

486,650,000 for the project and it was observed that the development period of the projects was from 2017-2021. According to the Agreement, the construction works of the radar towers is required to be completed at present had not been commenced the construction activities up to now. It was further observed that delays in all rest of the works. However, the site of the Meteorological Center where the Pottuvil Radar Tower is being constructed had not been handed over to the Department of Meteorology also.

4. Achievement of Sustainable Development Goals

Audit Observation	Recommendation	Comment of the Accounting Officer
<p>Eventhough action to be taken by the every public entity in terms of the agenda 2030 of the United Nation's on Sustainable Development Goals, Sustainable Development Strategy Plan had not been completed by the Department of Meteorology and activities of storage of data had not been carried out. Further, progress of the achievement of Sustainable Development objectives and targets had not been reported.</p>	<p>Action should be taken to identify and achieve the sustainable development goals.</p>	<p>Eventhough Awareness workshop on preparation of Sustainable Development Strategic Action Plan scheduled to be held, it could not be held and action will be taken to include it in the action plan after informing. Collection of Data and storage will be done in the future.</p>

5. Good Governance

5.1 Internal Audit

Audit Observation	Recommendation	Comment of the Accounting Officer
Eventhough post of Internal Auditor had been included in the approved carder, respective post had been remained vacant from 2013 to 01 July 2019. Further, an officer had been appointed, respective post had been remained vacant, due to the officer had been transferred from 17 April 2020.	Need to take formal action.	The post of Internal Auditor had been remained vacant, due to the officer who works as Internal Auditor had transferred from 17 April 2020.

6. Human Resource Management

The following observation is made.

Audit Observation	Recommendation	Comment of the Accounting Officer
Eventhough the Approved carder was 460, vacancies of 99 had been remained, due to actual carder was 361. It was included a post of Director General of the Department, 06 posts of Directors, 03 post of Meteorologist and a post of Civil Engineer.	Action should be taken to fill the vacancies of necessary posts.	Result had not been received, eventhough interview had been held for the post of Directors by the Ministry of Public Administration, Home Affairs, Provincial Council and Local Government. Appointments have been made for 08 meteorologist post in Grade iii of the Sri Lanka Scientific Service on merit basis and letters had been forwarded to obtained the approval of the Public Service Commission to fill 03 Meteorologist posts from those officers.