

Appropriation Head 143 - Ministry of Parliamentary Affairs

Report of the Auditor General - Year 2012

1.1 Scope of Audit

The Appropriation Account including the financial reports, reconciliation statements, books, registers and other records of the Ministry of Parliamentary Affairs 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 Secretary of the Ministry on 30 May 2013. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and 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.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account in accordance with the provisions of Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and the 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.

1.3 Audit Observations

According to the Financial Reports and the Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) and the other major audit observations appearing in paragraphs 1.4 to 1.8 herein, the Appropriation Account of the Ministry of Parliamentary Affairs have been prepared satisfactorily.

(a) General Deposits Account

The balance of the General Deposits Account of the Ministry as at 31 December 2012 amounted to Rs.3,692,822.

1.4 Good Governance and Accountability

1.4.1 Corporate Plan

Even though a Corporate Plan should have been prepared by the Ministry at the beginning of the year at least for 03 ensuing years from the year 2010 onward in terms of letter No.PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance addressed to all the Secretaries of Ministries, Chief Secretaries of the Provincial Councils, Heads of Department, District Secretaries and Heads of Local Authorities, the Corporate Plan had been prepared only for the year 2012.

1.4.2 Internal Audit

Even though a post of the Accountants' Service had been approved for the Internal Audit Unit, this post had remained vacant and the Accounts Assistant had carried out the activities of this Unit.

1.5 Assets Management

Unsettled Liabilities

The unsettled liabilities of the Ministry as at 31 December 2012 amounted to Rs.22,704,944 and the balance amounting to Rs.4,762,502 included therein had remained for more than one year. Even though salaries paid to the employees of

Ministries, Departments, Corporations and Boards appointed by the Ministers for the staff of the Ministers from each offices should be submitted to the Ministry and the settlement should be made by the permanent office of the relevant employees, it was revealed in audit that this situation had arisen due to the delays in those activities.

1.6 Non – compliance

Non-compliances with Laws, Rules, Regulations, etc.

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

| Reference to Laws, Rules and Regulations | Value | Non - compliance |
|--|---------|---|
| ----- | ----- | ----- |
| | Rs. | |
| (i) Establishments Code | | |
| ----- | | |
| Section 3.5.1 of Chapter XXIV | 158,250 | Even though the total amount of deduction for loans should not exceed 40 per cent of such salary, loans had been granted exceeding such limits. |
| (ii) Financial Regulations | | |
| ----- | | |
| F.R 371(2) (b) | 837,000 | Ad-hoc sub imprests had been granted exceeding the limits of imprests. |
| F.R 371(2) (c) | 288,000 | Even though the sub imprests should have been settled immediately after the completion of the relevant activities, action had not been taken accordingly. |
| (iii) Public Enterprises Circular | | |
| ----- | | |
| Paragraph 3 of Circular No.96 dated 10 August 1994 | 176,700 | In terms of circular provision, the loan balances had not been classified and summarized according to the group. |

1.7 Management Weaknesses

Vehicles had been provided to the Members of Parliament in the year 2003 on loan basis and due to the abolition of the office of Member of Parliament the activities relating to the recoveries had not been properly carried out. Thereafter, three of these Members of Parliament had deceased and it was observed that a sum of Rs.1,231,421 had remained outstanding from them as at 31 December 2012 and a sum of Rs.299,605 had remained outstanding from a Member of Parliament due to the abolition of the office of Member of Parliament.

1.8 Human Resources Management

Approved Cadre and Actual Cadre

The cadre position as at 31 December 2012 was as follows.

| Category of Employees | Approved Cadre | Actual Cadre | Number of Vacancies |
|-----------------------|----------------|--------------|---------------------|
| ----- | ----- | ----- | ----- |
| (i) Senior Level | 08 | 06 | 02 |
| (ii) Tertiary Level | 03 | 01 | 02 |
| (iii) Secondary Level | 33 | 24 | 09 |
| (iv) Primary Level | 19 | 17 | 02 |
| | ----- | ----- | ----- |
| Total | 63 | 48 | 15 |
| | ===== | ===== | ===== |

The following observation is made

- (i) Action had not been taken even up to the end of the year under review to fill 15 vacancies.