

11. Head 11 – Office of the Finance Commission

11.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of Finance Commission for the year ended 31 December 2013 was carried out in pursuance of provisions in 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 to the Commission on 28 November 2014. 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.

11.2 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 Accounts and the Reconciliation Statements in accordance with the provisions in Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance 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.

11.3 Audit Observation

According to the Financial Records and the Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and (b) and other major audit findings appearing in paragraphs 11.4 and 11.5 herein, the

Appropriation Account and the Reconciliation Statements of Office of the Finance Commission had been prepared satisfactorily.

(a) Budgetary Variance

The following observations are made.

- (i) The entire provision of Rs.150,000 made for 02 Objects had been saved.
- (ii) Excess provisions had been made for 16 Objects and as such the savings after the utilization of provisions ranged between 17 per cent to 98 per cent of the net provisions relating to those Objects.

(b) Reconciliation Statement of the Advances to Public Officers Account

The following observations are made.

- (i) According to the Reconciliation Statement as at 31 December 2013 of the Advance Account Item No. 01101, the balances that remained outstanding as at that date totaled Rs.295,236.
- (ii) Contrary to the National Budget Circular No. 157(1) of 31 January 2013, a distress loan exceeding the maximum limit of Rs.250,000 had been paid to an officer and action had not been taken even by 31 December 2013 for the recovery of the overpaid amount of the loan.

11.4 Losses and Damage

Even though accidents to two motor vehicles had been caused in the year 2013, the particulars of those accidents had not been included in the Appropriation Account. The total loss relating to the two motor vehicles amounted to Rs.175,020 and action in terms of Financial Regulations 104 and 109 had not been taken on a sum of Rs.17,468 out of that amount.

11.5 Human Resources Management

Approved Cadre and Actual Cadre

The position of the Cadre as at 31 December 2013 had been as follows.

Category of Staff	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	15	06	09	-
(ii) Tertiary Level	03	02	01	-
(iii) Secondary Level	46	26	20	-
(iv) Primary Level	13	07	06	-
(v) Others	-	03	-	03
Total	77	44	36	03

The Office had not taken action even by the end of the year under review to fill 36 vacancies.