

2. Head 2 – Office of the Prime Minister

2.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Prime Minister 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 Prime Minister on 18 September 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.

2.2 **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.

2.3 **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 2.4 to 2.6 herein, the

Appropriation Account and the Reconciliation Statement of the Office of the Prime Minister had been prepared satisfactorily.

(a) Budgetary Variances

Excess provisions totalling Rs.19,600,000 had been made for 08 Objects and as such the savings after the utilization of provisions, amounted to Rs.12,502,997 and the savings ranged between 35 per cent to 100 per cent of the net provision made for the Objects.

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

According to the Reconciliation Statements as at 31 December 2013 of the Advances to Public Officers Account Item No. 00201, the balance that remained outstanding as at that date totalled Rs.38,836 and the Office had failed to recover those outstanding balances.

2.4 Assets Management

Unsettled Liabilities

The liabilities totalling Rs.3,072,070 in relation to August, September, November and December 2013 settled in the year 2014 had not been shown in the Statement of Liabilities in the Appropriation Account.

2.5 Losses and Damage

Penalty totalling Rs.132,995 comprising Rs.25,921 and Rs.107,074 respectively had been paid due to the failure to pay the electricity bills of the “Visumpaya” official residence and the Office of the Prime Minister on the due dates.

2.6 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
(i) Senior Level	14	12	02
(ii) Tertiary Level	05	04	01
(iii) Secondary Level	45	41	04
(iv) Primary Level	67	66	01
Total	131	123	08

The Office had not taken action by the end of the year under review for filling 08 vacancies.