

**Report of the Auditor General on the Special Spending Units  
Heads 1 to 22 – Year 2013**

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This report comprises two Parts.

Part 1 - The Summary Report on the Accounts of the Heads of Special Spending Units.

Part 2 - The Detailed Report on each Head of the Special Spending Units.

**Part 1**

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**The Summary Report on the Accounts of the Heads of Special Spending Units**

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**1. The Heads of Special Spending Units and the Departments, Offices and Commissions.**

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Head	Name of the Department, Office and Commission
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1	His Excellency the President
2	Office of the Prime Minister
3	Secretariat for Special Functions (Senior Ministers)
4	Judges of the Superior Courts
5	Office of the Cabinet of Ministers
6	Public Service Commission
7	Judicial Service Commission
8	National Police Commission
9	Administrative Appeals Tribunal
10	Commission to Investigate Allegations of Bribery or Corruption
11	Office of the Finance Commission
12	National Education Commission
13	Human Rights Commission of Sri Lanka
14	Department of Attorney General
15	Department of Legal Draftsman
16	Parliament
17	Office of the Leader of the House of Parliament
18	Office of the Chief Government Whip of Parliament
19	Office of the Leader of the Opposition of Parliament
20	Department of Elections
21	Auditor General
22	Office of the Parliamentary Commissioner for Administration

## 2. Accounts

### 2.1 Appropriation Accounts

#### Total Provisions and Expenditure

The total net provisions made for the 22 Departments, Offices and Commissions amounted to Rs.15,615.785 million and out of that Rs.14,247.732 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions of those Departments, Offices and Commissions ranged between Rs.0.046 million and Rs.844.294 million or 0.10 per cent and 46.18 per cent of the total net provision. Details appear below.

Head	Department / Office/ Commission	Net Provision		Utilisation		Savings	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
1	His Excellency the President	4,659,020	4,410,251	4,490,565	3,734,412	168,455	675,839
2	Office of the Prime Minister	236,325	96,400	230,443	72,925	5,882	23,475
3	Secretariat for Special Functions (Senior Ministers)	328,675	128,050	305,781	105,435	22,894	22,615
4	Judges of the Superior Courts	121,500	52,200	89,469	4,025	32,031	48,175
5	Office of the Cabinet of Ministers	65,075	12,100	51,896	2,124	13,179	9,976
6	Public Service Commission	114,609	9,079	114,574	8,234	35	845
7	Judicial Service Commission	36,672	1,275	32,857	963	3,815	312
8	National Police Commission	40,023	5,360	39,674	5,219	349	141
9	Administrative Appeals Tribunal	17,075	915	13,571	874	3,504	41
10	Commission to Investigate Allegations of Bribery or Corruption	163,570	28,020	161,709	18,959	1,861	9,061
11	Office of the Finance Commission	41,340	4,800	32,043	769	9,297	4,031
12	National Education Commission	27,004	4,050	25,244	2,619	1,760	1,431
13	Human Rights Commission of Sri Lanka	149,950	12,755	144,844	5,588	5,106	7,167
14	Department of Attorney General	450,805	32,300	450,678	31,959	127	341
15	Department of Legal Draftsman	68,055	50,550	58,917	6,085	9,138	44,465
16	Parliament	1,569,827	114,650	1,535,659	61,383	34,168	53,267

17	Office of the Leader of the House of Parliament	24,725	1,300	24,132	1,258	593	42
18	Office of the Chief Government Whip of Parliament	33,750	950	33,626	858	124	92
19	Office of the Leader of the Opposition of Parliament	62,620	36,425	60,803	36,275	1,817	150
20	Department of Elections	1,328,898	41,000	1,313,666	40,616	15,232	384
21	Auditor General	742,780	281,600	728,603	158,987	14,177	122,613
22	Office of the Parliamentary Commissioner for Administration	8,656	801	8,611	800	45	1
<b>Total</b>		<b>10,290,954</b>	<b>5,324,831</b>	<b>9,947,365</b>	<b>4,300,367</b>	<b>343,589</b>	<b>1,024,464</b>

## 2.2 Revenue Accounts

### Estimated and Actual Income

Out of the 22 Departments, Offices and Commissions, 01 Department had estimated revenue amounting to Rs.90.00 million under 01 Revenue Code for the year 2013 and revenue amounting to Rs.97.98 million which exceeded the estimated revenue by Rs.7.98 million or 8.86 per cent had been collected. Details appear below.

Revenue Accounting Officer	Revenue Code	Estimated Revenue	Actual Revenue	Revenue in Excess	Percentage
		Rs.Millions	Rs.Millions	Rs.Millions	
Auditor General	20.03.02.01	90.00	97.98	7.98	8.86

## 2.3 Advance Accounts

### 2.3.1 Advances to Public Officers Account

#### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Accounts of 21 Departments, Offices and Commissions under the Special Spending Units and the actuals are given below.

Head	Item Number	Expenditure		Receipts		Debit Balance	
		Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	00101	23,000,000	21,116,324	12,500,000	19,176,280	100,000,000	75,621,858
2	00201	5,500,000	4,131,992	3,000,000	4,643,465	22,000,000	20,830,416
3	00301	4,000,000	3,949,768	900,000	2,232,234	11,000,000	6,997,762
4	00401	3,000,000	169,270	1,000,000	1,961,001	15,000,000	2,358,296
5	00501	3,000,000	2,665,664	2,400,000	2,558,132	14,000,000	10,913,332
6	00601	8,000,000	5,610,194	3,500,000	5,113,652	32,000,000	21,370,228
7	00701	3,000,000	2,517,834	1,200,000	1,686,371	20,000,000	8,088,796
8	00801	1,800,000	804,502	1,100,000	1,305,353	12,000,000	3,837,446
9	00901	1,000,000	708,565	200,000	403,043	3,400,000	1,524,758
10	01001	5,500,000	2,297,231	3,000,000	3,864,679	25,000,000	16,167,134
11	01101	3,500,000	2,053,763	1,000,000	1,619,437	20,000,000	7,154,988
12	01201	1,500,000	759,659	600,000	858,611	6,000,000	2,648,335
14	01401	25,000,000	20,638,540	12,000,000	14,020,029	90,000,000	50,500,914
15	01501	5,300,000	2,824,473	2,000,000	4,135,348	24,000,000	12,532,391
16	01601	39,000,000	21,369,869	24,000,000	29,349,039	175,000,000	136,143,054
17	01701	1,500,000	1,488,610	800,000	1,274,895	3,500,000	2,752,295
18	01801	1,500,000	1,490,450	1,000,000	1,622,741	8,500,000	4,523,590
19	01901	2,000,000	1,791,860	1,000,000	1,807,010	9,000,000	4,524,685
20	02001	23,000,000	19,264,340	13,000,000	14,660,729	80,000,000	62,791,918
21	02101	55,000,000	40,714,750	43,000,000	52,537,242	300,000,000	251,605,239
22	02201	800,000	301,397	200,000	531,111	3,000,000	1,634,684

### 2.3.2 Non-commercial Advance Account

#### Limits Authorized by Parliament

The Minimum Limit of Receipts authorized by Parliament had been complied while the Maximum Limit of Expenditure and the Maximum Debit Balance had exceeded the authorized limit for One Non-commercial Advance Account of a Commission. Details appear below.

Head	Item Number	Expenditure		Receipts		Debit Balance	
		Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10	01002	7,000,000	10,595,700	1,500,000	6,962,050	12,000,000	18,585,932

## 2.4 Imprest and General Deposits Accounts

### 2.4.1 Imprest Accounts

The total of the balances of the Imprest Accounts of 17 institutions out of 22 Departments, Offices and Commissions as at 31 December 2013 amounted to Rs. 56,869,344 comprising debit balances of Imprest Account according to Treasury books amounting to Rs.58,863,605 and the credit balances of 02 institutions amounting to Rs.1,994,261 Details appear below.

Head	Department / Office / Commission	Account Number	Balance as at 31 December 2013-Debit	Balance as at 31 December 2013-Credit
			Rs.	Rs.
1	His Excellency the President	7002/0000/00/0117/0013/000	6,874,623	-
4	Judges of the Superior Court	7002/0000/00/0390/0013/000	17,958,186	-
5	Office of the Cabinet of Ministers	7002/0000/00/0119/0013/000	13,030	-
6	Public Service Commission	7002/0000/00/0297/0013/000	787,996	-
7	Judicial Service Commission	7002/0000/00/0122/0013/000	1,729,387	-
8	National Police Commission	7002/0000/00/0365/0013/000	1,743	-
9	Administrative Appeals Tribunal	7002/0000/00/0366/0013/000	1,019,112	-
10	Commission to Investigate Allegations of Bribery or Corruption	7002/0000/00/0139/0013/000	890,499	-
11	Office of the Finance Commission	7002/0000/00/0279/0013/000	89,991	-
12	National Education	7002/0000/00/0256/0013/000	994,887	-

	Commission			
14	Department of Attorney General	7002/0000/00/0137/0013/000	3,007,930	-
15	Department of Legal Draftsman	7002/0000/00/0138/0013/000	283,687	-
16	Parliament	7002/0000/00/0120/0013/000	704	-
17	Office of the Leader of the House of Parliament	7002/0000/00/0275/0013/000	-	1,463,355
18	Office of the Chief Government Whip of Parliament	7002/0000/00/0276/0013/000	219,258	-
19	Office of the Leader of the Opposition of Parliament	7002/0000/00/0277/0013/000	2,012	-
20	Department of Elections	7002/0000/00/0121/0013/000	21,893,546	-
21	Auditor General	7002/0000/00/0001/0013/000	3,747,325	-
	- do -	7003/0000/00/0089/0013/000	349,689	
22	Office of the Parliamentary Commissioner for Administration	7002/0000/00/0278/0013/000	-	503,906
	<b>Total</b>		<b>59,863,605</b>	<b>1,994,261</b>

#### 2.4.2 General Deposit Accounts

According to the Treasury Books the total of the Balances of the General Deposits Accounts in 14 institutions out of 22 Departments, Offices and Commissions as at 31 December 2013 totalled Rs.848,443,490 and the details thereon are given below.

Head	Department / Office / Commission	Account Number	Balance as at 31 December 2013
			<b>Rs.</b>
1	His Excellency the President	6000/0000/00/0006/0077/000	296,940,282
	- do -	6000/0000/00/0015/0001/000	528,522,772
2	Office of the Prime Minister	6000/0000/00/0015/0002/000	250,865
3	Secretariat for Special Functions (Senior Ministers)	6000/0000/00/0015/0190/000	238,088
5	Office of the Cabinet of Ministers	6000/0000/00/0015/0003/000	142,720

6	Public Service Commission	6000/0000/00/0015/0008/000	2,289,429
7	Judicial Service Commission	6000/0000/00/0002/0032/000	3,375
10	Commission to Investigate Allegations of Bribery or Corruption	6000/0000/00/0015/0010/000	3,156,234
11	Office of the Finance Commission	6000/0000/00/0015/0013/000	247,151
12	National Education Commission	6000/0000/00/0015/0014/000	30,000
14	Department of Attorney General	6000/0000/00/0015/0110/000	1,179,250
15	Department of Legal Draftsman	6000/0000/00/0015/0111/000	3,650
16	Parliament	6000/0000/00/0015/0004/000	2,464,152
20	Department of Elections	6000/0000/00/0011/0011/000	4,519,833
21	Auditor General	6000/0000/00/0015/0012/000	8,455,689
	<b>Total</b>		<b>848,443,490</b> =====

## **Part II**

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### **Detailed Report relating to each Head**

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#### **1. Head 1 – His Excellency the President**

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##### **1.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Presidential Secretariat 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 President on 16 October 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.

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

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The Chief Accounting Officer is 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 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.

## **1.3 Audit Observation**

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According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and other major audit findings appearing in paragraphs 1.4 to 1.5 herein, the Appropriation Account and the Reconciliation Statements of the Presidential Secretariat have been prepared satisfactorily.

### **(a) Reconciliation Statement of the Advances to Public Officers Account**

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According to the Reconciliation Statement of the Advances to Public Officers Account item No.00101 as at 31 December 2013, the balance that remained outstanding as at that date totalled Rs.687,420 and action had not been taken to recover these balances.

## **1.4 Assets Management**

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### **Conduct of Annual Boards of Survey**

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In terms of the Public Finance Circular No.441 of 09 December 2009 as amended by the letter No.PF / Board of Survey /01 dated 17 December 2010 of the Director General of Public Finance, the Annual Board of Survey for the year 2013 and the reports thereon



should be furnished to the Auditor General before 31 March 2014. However the Presidential Secretariat had not furnished such reports to audit even by 31 May 2014.

## 1.5 Human Resources Management

### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre		Actual Cadre		Number of Vacancies		Excess	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
(i) Senior Level	56	162	45	226	11			64
(ii) Tertiary Level	23	95	16	128	07			33
(iii) Secondary Level	326	80	258	104	68			24
(iv) Primary Level	603	142	475	168	128			26
<b>Total</b>	<b>1,008</b>	<b>479</b>	<b>794</b>	<b>626</b>	<b>214</b>			<b>147</b>

Action had not been taken to fill 214 vacancies by end of the year under review.

## 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**

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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**

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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**

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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**

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 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**

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**Unsettled Liabilities**  
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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**

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 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**

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**Approved Cadre and Actual Cadre**  
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The position of the Cadre as at 31 December 2013 had been as follows.

<b>Category of Staff</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
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(i) Senior Level	14	12	02
(ii) Tertiary Level	05	04	01
(iii) Secondary Level	45	41	04
(iv) Primary Level	67	66	01
<b>Total</b>	<b>131</b>	<b>123</b>	<b>08</b>
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The Office had not taken action by the end of the year under review for filling 08 vacancies.

### **3. Head 3 – Secretariat for Special Functions (Senior Ministers)**

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#### **3.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Secretariat for Special Functions (Senior Ministers) for the year ended 31 December 2013 was carried out 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 on 15 August 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.

#### **3.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements**

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The Chief Accounting Officer is 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.

#### **3.3 Audit Observation**

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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 observation appearing at (a) and (b) and other major audit findings appearing in paragraphs 3.4 to 3.9 herein, the Appropriation Account and the Reconciliation Statements of the Secretariat for Special Functions (Senior Ministers) had been prepared satisfactorily.

**(a) Non – maintenance of Registers and Books**  
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It was observed during audit test checks that the Secretariat had not maintained the following registers.

<b>Type of Register</b> -----	<b>Relevant Regulation</b> -----
(i) Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978
(ii) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/2 of 28 November 2002

**(b) Budgetary Variance**  
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The following observations are made.

- (i) The entire capital provisions amounting to Rs.4,250,000 made under 11 Objects and the entire recurrent provisions amounting to Rs.1,070,000 made under 15 Objects had been saved.
- (ii) Excess provisions had been made for 72 Objects and as such the savings there under after utilizing the provisions ranged between 20 per cent and 98 per cent of the net provisions relating to those objects.

**3.4 Good Governance and Accountability**  
-----**3.4.1 Annual Action Plan**  
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Even though the office should prepared an Annual Action Plan in terms of the paragraph 1.4.1 of the letter No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance, the Action Plan for the year under review had not been properly prepared even by 31 December 2013.

### 3.4.2 Annual Procurement Plan

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The Annual Procurement Plan in terms of the National Budget Circular No. 128 of 24 March 2006 had not been properly prepared even by 31 December 2013.

### 3.4.3 Internal Audit

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An Internal Audit Unit had not been established.

### 3.5 Assets Management

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The following observations are made.

#### (a) Idle and Underutilized Assets

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It was observed during audit test checks that certain assets remained either idle or underutilized as analyzed below.

Category of Assets	Number of Units	Period of Idling or Underutilization
-----	-----	-----
(i) Laptop Computers and Servers	05	06 months
(ii) Finger Print Machine	01	01 year

#### (b) Unsettled Liabilities

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The unsettled liabilities of the office less than one year as at 31 December 2013 amounted to Rs.13,733,247.

### 3.6 Non-compliance

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#### Non-compliance with Laws, Rules and Regulations etc.

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The instances of non-compliances with the provisions of laws, rules and regulations observed during the course of audit test checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b> -----	<b>Value</b> ----- <b>Rs.</b>	<b>Non-compliance</b> -----
<b>(a) Financial Regulations of Democratic Socialist Republic of Sri Lanka</b> -----		
(i) Financial Regulation 94(1)	888,603	Liabilities had been committed exceeding the provisions.
(ii) Financial Regulation 115(3)b	365,337	Payments had been made in the year under review relating to the claims of the previous year without properly certifying by an authorized officer.
(iii) Financial Regulation 753(1) and 753(2)	2,350,720	Action had not been taken in terms of the provisions of the Financial Regulations in respect of issues and receipts of the goods.
(iv) Financial Regulation 272(3)	725,350	Sixteen paid vouchers had not been furnished to audit.
(v) Financial Regulation 137(5)	182,932	Payments had been made prior to taken over the assets purchased accurately.
<b>(b) Public Administration Circulars</b> -----		
Circular No. 10/2007 dated 09 May 2007 and No. 10/2007(1) dated 05 March 2009		It was decided to pay Rs.100,000 per month to the Ministers who entitled the quarters and for obtaining houses on rent including electricity bill and

water bill, and subsequently that amount had been reduced to Rs.50,000. It was observed at audit test check that the monthly electricity bill only of those houses of two Senior Ministers of the Secretariat had been ranged between Rs.110,000 and Rs.133,595.

(c) **State Accounts Circulars**

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 Paragraph 2.2 of the  
 Circular No. SA/AS/AA  
 dated 12 July 2013

Statement of Movement of Non-current Assets had not been furnished according to proper Code Numbers.

**3.7 Transactions of Contentious Nature**

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 The following observations are made.

- (i) Even though cash had been paid to a private institution on 31 December 2013 for the purchase of furniture amounting to Rs.182,932 by the Co-ordination Project for Science, Technology and Innovation; the goods had not been received even by 11 June 2014 from the institution.
- (ii) A cheque for Rs.222,040 had been drawn on 31 December 2013 by a name of private institution for the purchase of office furniture and retained in hand. Subsequently the date of the cheque had been extended and the equipment had been purchased on 16 May 2014. These goods had been received by the institution in May 2014 but the date of receipt had been entered as 31 December 2013 in the Inventory Register.



### 3.8 Un-resolved Audit Queries

The audit paragraphs which the follow up action had not been taken included in the previous years Auditor General's reports relating to the office are given below.

Reference to the Auditor General's Report		Referred Subject
Year	Paragraph No.	
2012	1.6 (a)	Even though motor vehicles supplied from the project aid should be used only for the relevant project, a motor vehicle supplied to the Communication and Response Capacity Development Project of the Disaster Management Centre had been taken by the Secretariat for Special Functions.

### 3.9 Human Resources Management

#### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	19	04	15
(ii) Tertiary Level	01	01	-
(iii) Secondary Level	35	24	11
(iv) Primary Level	102	102	-
(v) Others (Casual / Temporary / Contract basis)	140	140	-
<b>Total</b>	<b>297</b>	<b>271</b>	<b>26</b>

The Secretariat had not taken action to fill 26 vacancies even by the end of the year under review.

## **4 Head 4 – Judges of the Superior Courts**

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### **4.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the office of the Judges of the Superior Courts 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 Registrar on 07 October 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.

### **4.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements**

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The Chief Accounting officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements 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 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.

### **4.3 Audit Observation**

---

According to the Financial Records and 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 4.4 to 4.6 herein, the Appropriation Account and the Reconciliation Statements of office of the Judges of the Superior Courts had been prepared satisfactorily.

**(a) Non – maintenance of Registers and Books**  
-----

The office had not maintained the Register of Computers, Accessories and Software in terms of the Treasury Circular No. 1A1/2002/02 dated 28 November 2002.

**(b) Budgetary Variance**  
-----

The following observations are made.

- (i) The entire net provisions amounting to Rs.2,700,000 made under 05 Objects had been saved.
- (ii) Excess provisions had been made for 16 Objects and as such the savings there under after utilizing the provisions ranged between 9 per cent and 99 per cent of the net provisions relating to those Objects.

**4.4 Good Governance and Accountability**  
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**4.4.1 Annual Action Plan**  
-----

The Annual Action Plan for the year under review that should be prepared by the office in terms of the paragraph 1.4.1 of the letter of the Director General of Public Finance dated 10 March 2010 had not been furnished to audit even by 16 September 2014.

**4.4.2 Annual Procurement Plan**  
-----

The Annual Procurement Plan for the year under review in terms of the National Budget Circular No.128 of 24 March 2006 had not been prepared even by 31 December 2013.

**4.4.3 Internal Audit**  
-----

An internal audit had not been carried out in the Department.

**4.4.4 Implementation of Audit and Management Committee**  
-----

The meetings of the Audit and Management Committee had not been held for the year 2013.

#### 4.5 Performance

-----

The number of pending cases of the office of Judges of the Superior Courts as at 01 January 2013 had been 3,173 and the number of new cases registered in the year 2013 had been 1,654. Therefore the number of cases to be finalized in the year 2013 had been 4,827. Out of these cases, 1,560 cases had been finalized in the year under review, and the number of pending cases as at 31 December 2013 had been 3,267.

#### 4.6 Human Resources Management

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##### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
Senior Level	23	20	03
<b>Total</b>	<b>23</b>	<b>20</b>	<b>03</b>
	=====	=====	=====

#### 5. Head 5 – Office of the Cabinet of Ministers

-----

##### 5.1 Scope of Audit

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Cabinet of Ministers for the year ended 31 December 2013 was carried out 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 to the Cabinet of Ministers on 15 August 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.

## **5.2 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 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 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.

## **5.3 Audit Observation**

-----  
 According to the Financial Records and 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 major audit findings appearing in paragraphs 5.4 to 5.9 herein, the Appropriation Account and the Reconciliation Statements of the Office of the Cabinet of Ministers had been prepared satisfactorily.

### **(a) Budgetary Variance**

- 
- (i) The entire net provisions amounting to Rs.9,000,000 made for an Object had been saved.
  - (ii) Excess provisions had been obtained for 16 Objects and as such, the savings amounting to Rs.13,687,984 thereunder after utilizing the provisions ranged between 17 per cent and 99 per cent of the net provisions relating to these Objects.

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

Even though the recovery of loan installments should be made in accordance with the category of loan and the agreement when recovering loan installments from the salary, 04 instances where it had been failed to do so were observed.

**5.4 Good Governance and Accountability**  
 -----

**5.4.1 Annual Action Plan**  
 -----

Even though the Office should prepare an Annual Action Plan in terms of paragraph 1.4.1 of the Letter of the Director General of the Public Finance No.PF/R/2/2/3/5 (4) dated 10 March 2010, it had not been prepared for the year under review even by 31 December 2013.

**5.4.2 Internal Audit**  
 -----

An internal audit unit had not been established.

**5.4.3 Implementation of Audit and Management Committee**  
 -----

Audit and Management Committee had not been established.

**5.5 Unsettled Liabilities**  
 -----

The liabilities that remained without being settled for less than one year as at 31 December 2013 by the Office amounted to Rs.255,507.

**5.6 Non-compliances**  
 -----

**Non-compliance with Laws, Rules and Regulations etc.**  
 -----

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

**Reference to Laws, Rules and Regulations**

-----

**Letter of Public Finance Circular**

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Paragraph 02 of the Letter No.01 dated 15 November 2011

**Non-compliance**

-----

If it is intended to provide communication facilities and settle bills on Government expense to the category of officers or to an officer mentioned under V of Paragraph 2 of the Public Finance Circular No.446 dated 01 September 2010, a proposal including particulars in respect of this should be submitted to the National Salaries and Cadre Commission. Even though recommendations of the said Commission should be obtained, no action had been taken in respect of 13 officers accordingly.

**5.7 Weaknesses in Implementation of Projects**

-----

**Projects abandoned without Commencing**

-----

The following projects had not been commenced by the Office.

<b>Project</b>	<b>Estimated Cost</b>	<b>Due date of Commencement</b>	<b>Reasons for not Commencing Briefly</b>
-----	-----	-----	-----
Project of establishment of a system of storing documents and management	Rs. 9,000,000	2012	Taking a decision to commence an e-cabinet Project which is broader than a system of storing documents and management.

## 5.8 Irregular Transactions

Certain transactions entered into by the Office were devoid of regularity. Several such instances observed are given below.

### (a) Deviation from the Procedure laid down in the Procurement Guidelines

In the process of purchasing a “Fire wall” (a safety equipment) for fixing to the computer network, the institution which submitted the second lowest bid of Rs.262,640 had been rejected due to taking a period of 05 or 06 weeks to supply the said equipment. As such the contract had been awarded to the institution which submitted the fourth lowest bid of Rs .400,120. That institution had taken a period of 07 months to supply the said equipment. Accordingly, expected goals had not been fulfilled by the decision of the Procurement Committee to purchase at the fourth bid and a sum of Rs.137,480 had to be paid in excess to the Government for same.

(b) Despite having a 03 year guarantee period for the photocopying machine purchased for Rs.1,344,000 on 05 January 2012, sums of Rs.270,648 and Rs.120,512 had been spent for repairs on 25 June 2013 and 30 January 2014 respectively.

## 5.9 Human Resources Management

### Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2013 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	No. of vacancies	Excess
(i) Senior level	15	10	05	-
(ii) Tertiary level	07	05	02	-
(iii) Secondary level	29	22	07	-
(iv) Primary level	29	27	02	-
(v) Other (Casual/Temporary and Contract basis)	-	03	-	03
<b>Total</b>	<b>80</b>	<b>67</b>	<b>16</b>	<b>03</b>

The Office had not taken action to fill 16 vacancies by the end of the year under review.



## **6. Head 6 – Public Service Commission**

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### **6.1 Scope of Audit**

---

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Public Service Commission for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154(1) of the Constitution in 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 02 December 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.

### **6.2 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.

### **6.3 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 6.4 and 6.5 herein, the

Appropriation Account and the Reconciliation Statement of the Public Service Commission had been prepared satisfactorily.

**(a) Budgetary Variances**  
-----

Excess provision had been made for 2 Objects and the savings after the utilization of provisions, amounted to Rs.542,099 and represented 28 per cent and 78 per cent of the net provision relating to those Objects.

**(b) Reconciliation Statement Relating to Advances to Public Officers Account**  
-----

According to the Reconciliation Statement as at 31 December 2013 of the Advances to Public Officers Account Item No. 00601, the loan balance of Rs.32,320 of an officer who had vacated the post on 01 July 2001 had not been recovered even by the end of the year under review.

**6.4 Good Governance and Accountability**  
-----

**Annual Action Plan**  
-----

Even though the Office of the Public Service Commission should prepare an Annual Action Plan in terms of the Circular No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance, the Action Plan for the year under review had not been prepared even by 31 December 2013.

**6.5 Human Resources Management**  
-----

**Approved Cadre and Actual Cadre**  
-----

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

<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
(i) Senior Level	41	33	08
(ii) Tertiary Level	10	06	04
(iii) Secondary Level	96	74	22
(iv) Primary Level	48	33	15
<b>Total</b>	<b>195</b>	<b>146</b>	<b>49</b>

The Office had failed to fill 49 vacancies even by the end of the year under review.

## **7. Head 7 – Judicial Service Commission**

### **7.1 Scope of Audit**

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Judicial Service Commission for the year ended 31 December 2013 was carried out 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 on 25 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.

### **7.2 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 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 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.

### **7.3 Audit Observation**

-----

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observation appearing at (a) and other major audit findings appearing in paragraphs 7.4 to 7.6 herein, the Appropriation Account and the Reconciliation Statements of the Judicial Service Commission had been prepared satisfactorily.

#### **(a) Budgetary Variance**

-----

The following observations are made.

- (i) The entire net provision amounting to Rs.300,000 made under 02 Objects had been saved.
- (ii) Excess provisions had been obtained for 05 Objects and as such the savings thereunder after utilizing the provisions ranged between 42 per cent and 89 per cent of the net provisions relating to those Objects.
- (iii) Expenditure exceeding the provision made for one Object had been incurred due to the non-compliance with limits.

### **7.4 Good Governance and Accountability**

-----

#### **7.4.1 Annual Procurement Plan**

-----

In terms of the National Budget Circular No.28 of 26 March 2006, Annual Procurement Plan had not been prepared even by 31 December 2013.

#### **7.4.2 Annual Performance Report**

-----

The Annual Performance Report that should be prepared by the Commission in terms of the Public Finance Circulars No. 402 of 12 September 2002 and No. 402(i) of 20 February 2004 referred to in the letter No.PF/R/2/2/3/5(4) of 10 March 2010 of the

Director General of Public Finance, should have been tabled in Parliament within 150 days after the close of the financial year with a copy to the Auditor General. Nevertheless, the Performance Report for the year under review had been tabled in Parliament only on 24 September 2014.

#### **7.4.3 Internal Audit**

-----

Internal Audit Unit had not functioned during the year under review.

#### **7.4.4 Implementation of the Audit and Management Committee**

-----

Meetings of the Audit and Management Committee had not been held during the year 2013.

#### **7.5 Assets Management**

-----

The following observations are made.

##### **(a) Conduct of Annual Boards of Survey**

-----

In terms of the Public Finance Circular No.441 of 09 December 2009 as amended by the letter No.PF/Boards of Survey/ 01 of the Director General of Public Finance dated 14 December 2010, the Annual Board of Survey for the year 2013 should be conducted and the reports thereon should be furnished to the Auditor General before 31 March 2014. Nevertheless, those reports had been furnished to audit only on 13 October 2014.

##### **(b) Irregular Use of Assets of other Institutions**

-----

A motor vehicle valued at Rs.800,000 belonging to the Ministry of Justice had been used by the Commission without a proper approval.

#### **7.6 Human Resources Management**

-----

##### **Approved Cadre and Actual Cadre**

-----

The position of the cadre as at 31 December 2013 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	12	09	03	-
(ii) Tertiary Level	03	01	02	-
(iii) Secondary Level	54	33	21	-
(iv) Primary Level	24	16	08	-
(v) Other (contract basis)	-	01	-	01
<b>Total</b>	<b>93</b>	<b>60</b>	<b>34</b>	<b>01</b>
	==	==	==	==

The following observation is made.

Action had not been taken to fill 34 vacancies as at the end of the year under review.

## **8. Head 8 – National Police Commission**

### **8.1 Scope of Audit**

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the National Police 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 of the Commission on 12 May 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.

### **8.2 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 and the Reconciliation Statements in accordance with the Articles 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.

### **8.3 Audit Observation**

-----

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observation appearing at (a) and other major audit findings appearing in paragraphs 8.4 to 8.8 herein, the Appropriation Account of the National Police Commission have been prepared satisfactorily.

#### **(a) Budgetary Variance**

-----

Excess provisions had been made for 07 Objects and as such, the savings after the utilization of provisions had been 08 per cent to 53 per cent of the net provisions of those Objects.

### **8.4 Good Governance and Accountability**

-----

#### **8.4.1 Internal Audit**

-----

An Internal Audit had not been carried out in the National Police Commission.

#### **8.4.2 Implementation of Audit and Management Committee**

-----

The Audit and Management Committee had not been established and implemented.

### **8.5 Assets Management**

-----

#### **Conduct of Annual Boards of Survey**

-----

Action in terms of Financial Regulations 770(2) and 771(3) had not been taken on the unusable goods pointed out in the Reports of the Boards of Survey for the year 2013.

## 8.6 Performance

### Investigation of Complaints

Eleven offices of the National Police Commission had received 414 complaints during the year under review as follows.

Nature of Complaint -----	Number of Complaints -----
(a) Action not taken by the Police (indifference)	134
(b) Abuse of power	103
(c) Partiality	83
(d) Others	30
(e) Assaults	14
(f) Unlawful Detention	21
(g) False allegations made/ Taking into custody	17
(h) Torture	05
(i) Harassment to Women and Children	04
(j) Bribery and Corruption	03
(k) Deaths while in Police Custody	-
Total	----- 414 =====

Out of those complaints 307 or 74 per cent had been settled in the year under review.

## 8.7 Effectiveness of the Investigations

The powers of the National Police Commission established according to the 17<sup>th</sup> Amendment of the Constitution of the Democratic Socialist Republic of Sri Lanka had been nullified due to the 18<sup>th</sup> Amendment of the Constitution. Therefore, action relating to complaints received during the year under review by the National Police Commission



could not be directly implemented and such particulars had been referred to the Inspector General of Police for future action to be taken against the officers identified as guilty.

## 8.8 Human Resources Management

### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	15	15	-
(ii) Tertiary Level	03	-	03
(iii) Secondary Level	33	26	07
(iv) Primary Level	13	12	01
<b>Total</b>	<b>64</b>	<b>53</b>	<b>11</b>

The following observations are made.

- (i) The Commission had failed to fill 11 vacancies by end of the year under review.
- (ii) The actual cadre had included 13 officers of the Senior Level, two officers of the Secondary Level and one officer of the Primary Level recruited on casual and contract basis.

## **9. Head 9 – Administrative Appeals Tribunal**

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### **9.1 Scope of Audit**

---

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Administrative Appeals Tribunal 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 Chairman of the Tribunal on 30 July 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.

### **9.2 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 and the Reconciliation Statements in accordance with the Articles 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.

### **9.3 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 major audit findings appearing in paragraphs 9.4 to 9.7 herein, the Appropriation Account and the Reconciliation Statement of the Administrative Appeals Tribunal have been prepared satisfactorily.

## 9.4 Accountability and Good Governance

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### 9.4.1 Annual Action Plan

---

Even though an Annual Action Plan for the year 2010 and onwards should have been prepared by the Department in terms of the letter No PF/R/2/2/3/5 (4) of the Director General of Public Finance dated 10 March 2010 addressed to all Secretaries to the Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and Heads of Local Authorities, the Action Plan for the year under review had not been prepared even by 31 December 2013.

### 9.4.2 Annual Performance Reports

---

Even though the Annual performance Report that should have been prepared by the Tribunal in terms of the Public Finance Circulars No.402 of 12 September 2002 and No.402 (1) of 20 February 2004 should be tabled in Parliament with copy to the Auditor General within 150 days after the closure of the financial year, the performance Report for the year under review had not been tabled in Parliament even by 10 June 2014.

## 9.5 Non – compliances

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### Non – compliance with Laws, Rules and Regulations

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

<b>Reference to Laws, Rules and Regulations</b>	<b>Non – compliance</b>
-----	-----

<b>(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka</b>	
-----	

Chapter II Section 2.1

Even though a Scheme of Recruitment Comprising particulars such as salary scale, required qualifications, age limit etc., of all posts in public service should be approved,

action had not been taken in terms of such provisions by the Tribunal

**(b) Public Finance Circulars**

-----  
 Circular No.PF/437 dated 18 September 2009 The Insurance Cover of motor vehicles of state institutions should be obtained from the National Insurance Trust Fund or the Sri Lanka Insurance Corporation Limited. Contrary to that Circular, a motor vehicle of the Tribunal had been insured in an another insurance company and an insurance premium of Rs.112,899 had been paid in the year under review.

**9.6 Performance**

-----  
 In terms of the Section 7 of the Administrative Appeals Tribunal Act, No.4 of 2002 the appeals received by the Appeals Tribunal, should be examined and finalized within 02 months from the date of receipt. There were 423 appeals pending solution by the Tribunal as at 31 December 2013 and 90 complaints only had been examined and finalized during the year under review.

**9.7 Human Resources Management**

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**Approved Cadre and Actual Cadre**  
 -----

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

Particulars of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	05	04	01
(ii) Secondary Level	12	09	03
(iii) Primary Level	04	04	-
	----	---	----
<b>Total</b>	<b>21</b>	<b>17</b>	<b>04</b>
	==	==	==

Action had not been taken to fill 04 vacancies by the end of the year under review.

## **10. Head 10 - Commission to Investigate Allegations of Bribery or Corruption**

### **10.1 Scope of Audit**

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Commission to Investigate Allegations of Bribery or Corruption for the year ended 31 December 2013 was carried out 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 Head of the Department on 15 August 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.

### **10.2 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 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 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.

### 10.3 Audit Observation

According to the Financial Records and 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 major audit findings appearing in paragraphs 10.4 to 10.6 herein, the Appropriation Account and the Reconciliation Statements of the Commission to Investigate Allegations of Bribery or Corruption had been prepared satisfactorily.

#### (a) Reconciliation Statement of the Advances to Public Officers Account

The following observations are made.

- (i) According to the accounts presented, the balances that remained outstanding due to resignations as at 31 December 2013 amounted to Rs. 133,827 and it was relating to a period more than 07 years.
- (ii) According to the Departmental Books and Treasury Print outs, a difference of Rs.236,827 between the opening and closing balances was observed. Further, Departmental Books had not been reconciled with the Treasury books in terms of Financial Regulations 427.

#### (b) Unsettled Advances

According to the accounts presented, unsettled balances of advances given to utilize in bribery raids amounted to Rs. 18,585,932 and out of that a balance of Rs.5,467,922 was relating to a period ranging from 4 to 30 years. An age analysis thereon is given below.

Period	Number of Cases	Value
-----	-----	-----
		Rs.
Between 3 and 4 years	44	868,500
Between 5 and 10 years	88	4,349,825
Between 10 and 20 years	31	233,320
Between 20 and 30 years	09	13,850
Over 30 years	08	2,427
	----	-----
	<b>180</b>	<b>5,467,922</b>
	====	=====

Advances relating to the court cases of which the legal proceedings were completed as at 31 December 2013 out of the said 180 court cases could have been settled. Nevertheless, instances of failure to take action to settle those advances were observed.

#### **10.4 Good Governance and Accountability**

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##### **10.4.1 Annual Performance Reports**

-----

Annual Performance Report that should be prepared by the Commission in terms of the Public Finance Circulars No. 402 of 12 September 2002 and No. 402(1) of 20 February 2004 had not been tabled in Parliament within 150 days after the close of the financial year with a copy to the Auditor General.

##### **10.4.2 Internal Audit**

-----

An Internal Audit Unit had not been established by the Commission.

##### **10.4.3 Implementation of the Audit and Management Committee**

-----

An Audit and Management Committee had not been established.

#### **10.5 Performance**

-----

The number of complaints being investigated as at 31 December 2013 was 2,182 and the particulars of the number of complaints under further investigation despite a lapse of 02 years are given below.

<b>Particulars</b>	<b>Number of Complaints</b>
-----	-----
Complaints lapsed for over 04 years	188
Complaints lapsed for over 03 years	170
Complaints lapsed for over 02 years	494
	-----
<b>Total</b>	<b>852</b>
	===

Accordingly, it was observed that 39 per cent of the complaints being investigated as at 31 December 2013 had been relating to a period ranging from 2 to 4 years or older than that period.

## 10.6 Human Resources Management

### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	34	20	14
(ii) Tertiary Level	05	01	04
(iii) Secondary Level	62	53	09
(iv) Primary Level	64	59	05
<b>Total</b>	<b>165</b>	<b>133</b>	<b>32</b>

Action had not been taken to fill 32 vacancies in the Commission as at 31 December 2013.

## 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

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##### Approved Cadre and Actual Cadre

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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
<b>Total</b>	<b>77</b>	<b>44</b>	<b>36</b>	<b>03</b>
	===	===	===	===

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

## **12. Head 12 - National Education Commission**

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### **12.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the National Education 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 Chairman of the Commission on 14 August 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.

### **12.2 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 and the Reconciliation Statements in accordance with the provisions in Articles 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.

### **12.3 Audit Observations**

---

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) to (c) and other major audit findings appearing in paragraphs 12.4 to 12.9 herein, the

Appropriation Account and the Reconciliation Statements of the National Education Commission had been satisfactorily prepared.

**(a) Non-maintenance of Books and Registers.**  
-----

The following registers had not been maintained by the National Education Commission in a proper and updated manner.

<b>Category</b> -----	<b>Regulations</b> -----
Register of Fixed Assets	Treasury Circular No 842 dated 19 December 1978
Fixed Assets Register for Computer accessories and software	Treasury Circular No IAI/2002/02 dated 28 November 2002

**(b) Budgetary Variance**  
-----

Following variances were observed.

- (i) Total net provision amounting to Rs.50,000 allocated for an Object had totally been saved.
- (ii) The saving of Rs.1,430,894 resulted in after utilization of provisions owing to overprovisions allocated for 05 Objects and the non-implementation of planned activities, was in the ranged between 14 per cent and 69 per cent of the net provisions for those Objects.

**(c) Imprest Account**  
-----

Following deficiencies were observed in the Imprest Account.

- (i) The ad hoc sub imprest that can be issued to a staff grade officer at once as per Financial Regulation 371 had been increased up to Rs.50,000 under the approval of Treasury. Nevertheless, 04 officers had been issued ad hoc sub imprests by exceeding that limit in 16 instances from Rs.50,000 to Rs.130,000 totalling Rs.998,500.

- (ii) Out of the advances totalling to Rs.638,000 granted in 21 instances during the year under review for conducting workshops and meetings of the Commission, an amount of Rs 239,000 equivalent to 37 per cent had been resettled without being utilized. Moreover, expenses made out of the tasks for which advances had been granted, granting advances without estimates being presented, and issue of more advances in order to settle advances obtained for the same task, had taken place.

## **12.4 Good Governance and Accountability**

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### **12.4.1 Annual Action Plan**

-----

The Action Plan prepared for the year 2013 that had not mentioned the time duration for each task, estimated cost, and officers responsible for each task, had not been approved by the National Education Commission.

### **12.4.2 Annual Procurement Plan**

-----

A Procurement Plan had been prepared to acquire Capital Assets valued at Rs.850,000 for the year under review. Although goods had been purchased by spending an amount totaling to Rs.805,256 that had not been mentioned in the Plan, the Procurement Plan had not been updated as per the Guideline 4.2.1(e) of the Government Procurement Guidelines.

### **12.4.3 Internal Audit**

-----

An internal audit had not been executed.

### **12.4.4 Implementation of Audit and Management Committee**

-----

Audit and Management Committee had not been conducted.

## **12.5 Assets Management**

-----

### **Annual Board of Survey**

-----

Action had not been taken in terms of Financial Regulations on the unusable items declared through the Board of Survey reports for the year 2013.

## 12.6 Non-compliance

### ----- Non-compliance with Laws, Rules and Regulations. -----

Instances of non-compliance with the provisions in Laws, Rules and Regulations observed during the course of audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Value	Non-compliance
-----		
Rs.		
-----		
<b>Financial Regulations of Democratic Socialist Republic of Sri Lanka</b>		
-----		
(a) Financial Regulations 138 and 245(i)	176,536	Payments made in 8 vouchers had not been certified.
(b) Financial Regulation 753(1) and (2)		Receipt and issue orders had not been used in receiving and issuing goods.

## 12.7 Performance

-----  
Observations on the progress of the Commission as per the Action Plan for 2013 are as follows.

### (a) Tasks not Executed

-----  
Following activities planned to carry out during the year under review, had not been carried out.

- (i) Sub Activity 1- Develop mechanism for collecting information from school system through in Service Advisers for development mechanism.
- (ii) Sub Activity 3- Preparation of policy proposals for development of National Universities.
- (iii) Sub Activity 5- Preparation of comparison report on primary curriculum and primary education objectives in various countries.

**(b) Tasks not Executed Adequately**  
 -----

Following activities planned to execute during the year under review, had not been executed adequately.

- (i) Sub Activity 2- Preparation of policy proposals and strategy for development of small schools. The project that has been progressing since 2012 had planned to prepare policy proposals in order to develop small schools by collecting information from selected schools in all of the 9 provinces though, none of the other tasks had been carried out except for gathering information from schools in the Western Province.
  
- (ii) Sub Activity 4 Preparation of standards for communication and the printed media for Sinhala language usage in education system. Though it had been planned to prepare policy proposals by preparing the report with information collected from the relevant parties and obtaining opinions by distributing the report among the selected schools, no any other task had been carried out except conducting 2 sessions of discussion on the standardization and usage of Sinhala language.

**12.8 Irregular Transactions**  
 -----

Certain transactions performed by the Commission were of irregular nature. Several such instances observed in sample tests are as follows.

- (a) Office equipment under 8 categories totalling Rs. 335,450 had been purchased. The purchase had been made without obtaining quotations from suppliers selected in defiance of Guideline 9.8 (d) of Government Procurement Guidelines.

- (b) Three laptops and 05 MS Office packages valued at Rs. 386,500 had been purchased sans approval from Procurement Committee and recommendation of the Technical Evaluation Committee on the condition of an urgent requirement.

## 12.9 Human Resource Management

### Approved Cadre and Actual Cadre

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

Category of Employee	Approved No	Actual No	No of Vacancies
(i) Senior Level	03	03	-
(ii) Tertiary Level	11	04	07
(iii) Secondary Level	10	09	01
(iv) Primary Level	12	12	-
<b>Total</b>	<b>36</b>	<b>28</b>	<b>08</b>

It was failed to fill eight posts remained vacant even as at end of the year under review.

## 13. Head 13 – Human Rights Commission of Sri Lanka

### 13.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statement, books, registers and other records of the Office of the Human Rights Commission of Sri Lanka 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 Chairman of the Commission on 28 August 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.

### **13.2 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 and the Reconciliation Statements in accordance with the Articles 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.

### **13.3 Audit Observation**

-----

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations at (a) and other major audit findings appearing in paragraphs 13.4 to 13.8 herein, the Appropriation Account of the Human Rights Commission of Sri Lanka had been prepared satisfactorily.

#### **(a) Budgetary Variance**

-----

The following observations are made.

- (i) The entire net provisions totalling Rs.6,600,000 made under 02 Objects had been saved.
- (ii) Excess provisions had been made for 05 Objects and as such the savings thereunder after utilizing the provisions ranged between 11 per cent and 98 per cent of the net provisions of those Objects.

## **13.4 Good Governance and Accountability**

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### **13.4.1 Annual Procurement Plan**

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Annual Procurement Plan for the year 2013 had not been prepared even by 31 December 2013 in terms of the National Budget Circular No.128 of 24 March 2006.

### **13.4.2 Internal Audit**

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Even though an Internal Auditor had been appointed, sub-ordinate staff had not been appointed.

## **13.5 Assets Management**

---

The following observations are made.

### **(a) Idle and Under-utilized Assets**

---

The following matters were observed at an audit test check carried out on assets.

- (i) Action had not been taken either to repair or to dispose of 07 motor bicycles and a van discarded from running which had been given by a project of the United Nations.
  
- (ii) A stock of computers and office equipment valued at Rs.1,662,550 had been handed over to the Commission's Head office by the United Nations Development Programme on 07 June, 26 December and 31 December 2013 while the goods allocated to regional offices out of these stocks had not been handed over to such offices and remained idle even by 31 October 2014.

### **(b) Conduct of Annual Boards of Survey**

---

In terms of the Public Finance Circular No.441 of 09 December 2009 as amended by the letter No.PF/Board of Survey/01 dated 17 December 2010 of the Director General of Public Finance, the Annual Boards of Survey for the year 2013 should be conducted and the reports thereon should be furnished to the Auditor General

before 31 March 2014. Nevertheless, the Commission had not furnished these reports to audit even by 31 May 2014. The last Board of Survey conducted had been for the year 2012.

**(c) Unrecorded Assets**  
-----

The particulars of assets directly provided to the Regional Offices of the Commission by a Project connected to the Human Rights of the United Nations Development Programme had not been included in the Main Inventory Register of the Commission.

**(d) Assets given to other Parties**  
-----

Two Laptop computers received by the Commission from a Project had been issued to two officers of the Human Rights Project.

**13.6 Non-compliances**  
-----

**Non-compliance with Laws, Rules and Regulations etc.**  
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The instances of non-compliance with the provisions of laws, rules and regulations observed during the course of audit test checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b> -----	<b>Value</b> ----- <b>Rs.</b>	<b>Non-compliance</b> -----
<b>(a) Statutory Provisions</b> -----		
Payment of gratuities Act No. 12 of 1983	118,012	The gratuity payable to an officer who leaves the service or retires should be calculated on the last drawn gross salary Nevertheless the Commission had paid it on the basis of the basic salary and as such the gratuity payment for 04 officers who left the service had been paid less by

a sum of Rs.118,012.

**(b) Financial Regulations of  
the Democratic Socialist  
Republic of Sri Lanka**  
-----

Financial Regulation 110

- A Register of Losses and Damages had not been maintained.

**(c) Treasury Circulars**  
-----

Circular No. 842 of 19  
December 1978

A Register of Fixed Assets had not been maintained

**(d) Government Procurement  
Guidelines**  
-----

(i) Guideline 2.4.1

1,819,275

A proper Procurement Committee and a Technical Evaluation Committee had not been appointed for procurement activities.

(ii) Guideline 4.3

1,406,025

A total cost estimate had not been prepared for purchase of computers.

(iii) Guideline 8.9.1(b)

-

A written formal agreement had not been signed for contracts for goods and services exceeding Rs.500,000

(iv) Guideline 9.3(b)

227,620

The approval of the Secretary to the Line Ministry had not been obtained for repairs to vehicles exceeding Rs.200,000.

**(e) National Library Services  
and Documentation  
Board Circular**

No. 2004/Lib./1 of 24  
January 2004

-

Appropriate action had not been taken on 36 books misplaced in the Library.

**13.7 Irregular Transactions**  
-----

Observations on irregular transactions of irregular nature revealed at audit test checks are given below.

- (a) A new place with an extent of about 2,400 square feet for Kandy Branch of the Commission had been obtained at a monthly rental of Rs.35,000 from 01 January 2013 deviating from provisions of the Government Procurement Guidelines.

- (b) Approval of the Treasury should be obtained in terms of Paragraph 8 of the National Budget Circular No.113 of 31 December 2003 whenever the monthly rent of vehicles exceed Rs.40,000. Nevertheless vehicles had been obtained for 03 Regional offices on rental basis contrary to that Circular.

### 13.8 Human Resources Management

#### (a) Approved Cadre and Actual Cadre

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

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of vacancies</b>	<b>Excess</b>
(i)	Senior Level	46	20	26	-
(ii)	Tertiary Level	07	01	06	-
(iii)	Secondary Level	154	101	53	-
(iv)	Primary Level	66	53	13	-
(v)	Others (casual)	-	03	-	03
	<b>Total</b>	<b>273</b>	<b>178</b>	<b>98</b>	<b>03</b>

#### (b) Payment of 25 per cent Allowance

During the year under review a sum of Rs.306,707 had been paid as 25 per cent allowance to 05 officers employed on contract basis and 03 officers employed on casual basis under the categories of Senior Level and Tertiary level without complying with the letter No. DMS/A/08/03/1-TEM of Ministry of Finance and Planning dated 24 November 2009.

## **14 Head 14 – Department of Attorney General**

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### **14.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Attorney General 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 Attorney General on 17 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.

### **14.2 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 and the Reconciliation Statements in accordance with the Articles 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.

### **14.3 Audit Observation**

---

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observation appearing at (a) and (b) and other major audit findings appearing in paragraphs 14.4 to 14.6 herein, the

Appropriation Account and the Reconciliation Statement of the Department of Attorney General had been prepared satisfactorily.

**(a) Non-maintenance of Books and Registers**  
-----

The Department had not maintained a Register of Computers, Accessories and Software in terms of Treasury Circular No. IAI/2002/02 dated 28 November 2002.

**(b) Reconciliation Statements of the Advances to Public Officers Account**  
-----

According to the Reconciliation Statement as at 31 December 2013 of the Advances to Public Officers Account Item No. 01401, the balances that remained outstanding as at that date totalled Rs.2,366,194 and out of that a sum of Rs.866,051 remained unrecovered for over 05 years.

**14.4 Good Governance and Accountability**  
-----

**Implementation of the Audit and Management Committee**  
-----

The Audit and Management Committee had held only one meeting during the year under review.

**14.5 Performance**  
-----

The functions of the Attorney General's Department had been executed by the following divisions.

- (a) Crimes Division
- (b) Civil Division
- (c) State Legal Division
- (d) Supreme Courts
- (e) Corporation Division

In addition, Special Units with specially identified responsibilities too functioned.

- (a) Public Petitions Unit

- (b) Child Abuse Cases Unit
- (c) EER Unit (cases filed under Emergency Orders and Prevention of Terrorism Act)
- (d) Immigration and Emigration Unit

Among the above divisions and units, the performance of the Civil Division, Crimes Division and Child Abuse Cases Unit for a period of 3 years are summarized below.

<b>Civil Division</b>	<b>Year</b>		
	<b>2011</b>	<b>2012</b>	<b>2013</b>
-----	-----	-----	-----
Number of files opened	2,641	2,714	2,710
Number of files finalized	176	158	231
Number of files not finalized	2,465	5,021	7,500
<b>Crimes Division</b>			
-----			
Number of files opened	5,464	7,176	5,221
Number of files finalized	5,029	5,451	6,474
Number of files not finalized	435	2,160	907
<b>Women and Child Abuse Cases Unit</b>			
-----			
Number of files opened	2,460	3,372	3,836
Number of files finalized	1,390	1,294	1,910
Number of files not finalized	1,070	3,148	5,074

#### 14.6 Human Resources Management

##### ----- Approved Cadre and Actual Cadre -----

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

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
	-----	-----	-----	-----
(i)	Senior Level	221	176	45
(ii)	Tertiary Level	12	10	02
(iii)	Secondary Level	167	101	66
(iv)	Primary Level	233	172	61
(v)	Others (Contract Basis)	05	05	-
	Total	638	464	174
		=====	=====	=====



Forty five vacancies in Senior Level and one vacancy in Secondary Level had not been filled as at 11 November 2014.

## **15 Head 15- Department of Legal Draftsman**

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### **15.1 Scope of Audit**

---

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Legal Draftsman for the year ended 31 December 2013 was carried out 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 Legal Draftsman on 28 August 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.

### **15.2 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 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 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.

### **15.3 Audit Observation**

-----

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and other major audit findings appearing in paragraphs 15.4 to 15.5 herein, the Appropriation Account and the Reconciliation Statements of the Department of Legal Draftsman had been prepared satisfactorily.

#### **(a) Budgetary Variance**

-----

The following observations are made.

- (i) The entire net provision amounting to Rs.40,010,000 made under 02 Objects had been saved.
  
- (ii) Excess provision had been made for 04 Objects and as such the savings thereunder after utilization of provision ranged between 50 per cent and 76 per cent of the net provision.

### **15.4 Weaknesses in Implementation of Projects**

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#### **Projects abandoned without Commencement**

-----

The Project for Reformation of Sri Lanka Legal Enactments with an estimated cost of Rs.185,000,000 had not been commenced even by 31 December 2013 due to the failure to obtain the approval of the Cabinet of Ministers for implementation of the said Project.

### **15.5 Human Resources Management**

-----

#### **Approved Cadre and Actual Cadre**

-----

The position of cadre as at 31 December 2013 was as follows.

<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
-----	-----	-----	-----
(i) Senior Level	37	27	10
(ii) Tertiary Level	28	04	24
(iii) Secondary Level	62	28	34
(iv) Primary Level	24	20	04
(v) Others	03	03	-
	----	----	----
<b>Total</b>	<b>154</b>	<b>82</b>	<b>72</b>
	====	====	====

The Department had not taken action to fill 72 vacancies at the end of the year under review.

## **16. Head 16 – Parliament**

### **16.1 Scope of Audit**

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Parliament 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 General of Parliament on 15 August 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.

### **16.2 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 and the Reconciliation Statements in accordance with the provisions in Articles 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.

### 16.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) to (f) and major audit findings appearing in paragraphs 16.4 to 16.10 herein, the Appropriation Account and the Reconciliation Statements of the Parliament had been prepared satisfactorily.

#### (a) Non-maintenance of Registers and Books

It was observed during the course of audit test checks that the following registers had not been maintained by the Parliament.

Type of Register	Relevant Regulation
(i) Register of Fixed Assets on computers, accessories and computer software	Treasury Circular No. IAI/2002/02 dated 28 November 2002
(ii) Register of Fixed Assets	Treasury Circular No. 842 dated 19 December 1978

#### (b) Lack of Evidence for Audit

The following items of accounts could not be satisfactorily vouched in audit in the absence of evidence indicated against each item.

Item	Value	Evidence not available
	Rs.	
(i) Renovation of Parliament Kitchen	14,608,780	Relevant File
(ii) Foreign Relations and expenses of Alliance Office	10,000,000	Any information
(iii) Subscriptions and contributions	9,500,000	Any information
(iv) Foreign Relations and Alliance Office and subscriptions and contributions from 2008 to 2012	237,600,000	Any information
(v) Expenses for Commonwealth Parliamentary Summit	87,300,000	Any information

**(c) Replies to Audit Queries**  
-----

Replies to an audit query submitted to the Parliament in the year under review had not been presented even by 31 March 2014.

**(d) Budgetary Variance**  
-----

Excess provisions had been obtained for 18 Objects and as such, the savings amounting to Rs.59,432,028 thereunder after utilizing the provisions ranged between 07 per cent and 82 per cent of the net provisions relating to these Objects.

**(e) General Deposit Account**  
-----

The balance of the General Deposit Account as at 31 December 2013 was Rs.2,464,152 and the total of the age analysis of deposits presented to audit was Rs.2,453,502. As such, a difference of Rs. 10,650 was revealed.

**(f) Reconciliation Statement of the Advances to Public Officers Account**  
-----

The following observations are made.

- (i) According to the Reconciliation Statement of the Advances to Public Officers Account Item No.01601 as at 31 December 2013, the balances that remained outstanding at that date totalled Rs.1,928,695 and the follow up action on the recovery of those outstanding balances had been at a weak level.
- (ii) Outstanding balance as at 31 December 2013 was Rs. 1,928,695 and 55 per cent out of it or Rs. 1,057,862 had been balances of loans existing for more than 05 years.
- (iii) Total recoverable loan balances from interdicted officers were Rs. 94,240 and Rs. 91,990 out of it had been balances older than 16 years. No action had been taken to recover or write off the said loan balances from books even in the year under review.
- (iv) Members Loan Register had not been prepared according to the types of loans obtained by the officers.

## **16.4 Accountability and Good Governance**

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### **16.4.1 Annual Action Plan**

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Even though in terms of Paragraph 1.4.1 of the letter of the Director General of Public Finance No.PF/R/2/2/3/5/(4) dated 10 March 2010, an annual action plan should be prepared by the Parliament, it had not been prepared for the year under review even by 31 December 2013.

### **16.4.2 Implementation of Audit and Management Committee**

---

Even though the Audit and Management Committee should be held once in a quarter, only three meetings had been held in the year under review.

## **16.5 Assets Management**

---

The following observation is made.

### (a) Conduct of Annual Boards of Survey

---

In terms of the Public Finance Circular No. 441 dated 09 December 2009 amended by the letter of the Director General of Public Finance No. PF/Boards of Survey/01 dated 17 December 2010, the annual boards of survey for the year 2013 should be conducted and the reports should be presented to the Auditor General before 31 March 2014. However, reports of annual boards of survey had not been presented to audit by the Parliament even by 30 September 2014. The last annual boards of survey had been conducted for the year 2011.

### (b) Unsettled Liabilities

---

The total of unsettled liabilities as at 31 December 2013, existing for a period less than a year was Rs.32,333,311.

## **16.6 Non-compliances**

---

### **Non-compliance with Laws, Rules, Regulations etc.**

---

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

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
-----	----- Rs.	-----
(a) Statutory Provisions -----		
(i) Section 4 of the Parliamentary Staffs Act No. 09 of 1953	-	The approval of the Cabinet of Ministers had not been obtained in granting 10 salary increments in addition to the annual salary increment for the Parliamentary Staff.
(ii) Section 5 of the Parliamentary Staffs Act No. 09 of 1953	-	Financial Regulations had not been prepared in respect of Conditions on payment of salaries, rent allowances, other allowances, salary increment grants, leave, age of retirement and pensions etc., for the Parliamentary Staff Consultative Committee.
<b>(b) The Establishments Code of the Democratic Socialist Republic of Sri Lanka</b> -----		
Section 2.1 of Chapter II		(i) A proper Recruitment Procedure had not been prepared by the institution.
		(ii) When approving the post of Media Officer of Parliament by the Cabinet of Ministers, approval had been made subject to recommendations of the National Salaries and Cadre Commission. An officer who had not fulfilled the minimum qualifications recommended by the said Commission had been recruited for the said post.
		(iii) An employee who served in the post of Assistant House Keeper had been appointed to the post of Receiver of Goods, an employee who served in the post of Assistant Gardener (casual) had been appointed to the post of Receiver of Goods. These

appointments had been based only on the requests of the relevant employees and it had been mentioned in the letter of appointment that the appointment had been made on the employee's request.

**(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka**  
-----

- |   |           |  |
|---|-----------|--|
| (i) Financial Regulation 115(3) (b)               | 1,782,523 | Payments had been made without the certificate of the authorized officer.                                  |
| (ii) Financial Regulation 754(4)                  | -         | Inventory on Tyres had not been maintained properly.   |
| (iii) Financial Regulations 102, 103, 104 and 110 | 8,775     | No action in terms of Financial Regulations had been taken in respect of lost goods at the souvenir stall. |

**(d) Public Administration Circular**  
-----

Paragraph 2.11 of circular No. 41/90 dated 10 October 1990

Fuel consumption of vehicles had not been checked once in every 06 months.

**(e) Public Finance Circular**  
-----

Paragraph 1.1 of circular No. 353(5) dated 31 August 2004

When disposing vehicles, the priority should be given to the uneconomical vehicles over 10 years. However, attention had not been paid regarding this and the vehicles below 05 years had been disposed.

**16.7 Deficiencies in the Operation of Bank Accounts**  
-----

It had been shown in the bank reconciliation statement, prepared as at 01 January 2013 that an overdraft balance amounting to Rs.1,315,440 had remained as per the cash book of the old current account closed from the year 2007 in Parliament. Further, it had been



shown in the bank reconciliation statements, presented to audit as at 31 December 2013 that of the said overdraft balance, a sum of Rs.596,548 had been settled in the year 2013. Accordingly, it is mentioned in the bank reconciliation statement that an overdraft amounting to Rs.718,891 further remains in the old current account as at 31 December 2013. Overdraft and accuracy of settlement could not be satisfied due to non-submission of particulars to prove those transactions in audit.

### **16.8 Irregular Transactions**

-----

The transport allowance had also been paid to officers who have official transport facilities in addition to the officers who are serving after 6.30 p.m. on days on which the Parliamentary meetings are held, considering difficulties in transport.

### **16.9 Unresolved Audit Paras**

-----

Proper measures had not been taken in respect of audit paras in the reports of the Auditor General relevant to Parliament and the reference for those paras is as follows.

Reference to the report of the Auditor General		Referred Subject
Year	Para No.	
2009	5(a)ii	Hence two officers in Parliament had not signed the arrival and the departure, a sum of totalling Rs. 264,910 had been paid in the years 2008 and 2009 as incentives payable for unused vacation leave.
	7(c)	Even though a sum of Rs. 20,141,658 had been spent by 30 June 2010 to modernize the kitchen in the year 2009, the water drainage system had not been constructed in a manner of preserving the purity of the kitchen.
2011	1.5(a)(i)	In addition to the annual salary increment, 14 salary increments had been paid to three officers by the Secretary General of the Parliament without the approval of the Parliamentary Staff Consultative Committee.

## 16.10 Human Resources Management

### Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2013 was as follows.

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>No. of vacancies</b>	<b>Excess</b>
(i)	Senior level	55	51	04	-
(ii)	Tertiary level	150	128	22	-
(iii)	Secondary level	208	190	18	-
(iv)	Primary level	470	445	25	
(v)	Other(Casual/Temporary/ Contract Basis)	73	83	-	10
	<b>Total</b>	<b>956</b>	<b>897</b>	<b>69</b>	<b>10</b>

The following observations are made.

- The institution had not taken action to fill 69 vacancies by the end of the year under review.
- The institution had not taken action to obtain a proper approval for recruited excess cadre.

## 17. Head 17 – Office of the Leader of the House of Parliament

### 17.1 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 Leader of the House of Parliament for the year ended 31 December 2013 was carried out 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 to the Office on 14 August 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.

## **17:2 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 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 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.

## **17:3 Audit Observation**

---

According to the Financial Records and 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 findings appearing in paragraphs 17:4 to 17:7 herein, the Appropriation Account and the Reconciliation Statements of the Office of the Leader of the House of Parliament had been prepared satisfactorily.

### **(a) Replies to Audit Queries**

---

Replies to one audit query issued to the Office during the year under review had not been submitted to audit even by 31 March 2014.

### **(b) Budgetary Variance**

---

Excess provisions had been obtained for 05 Objects and as such the savings amounting to Rs.138,629 thereunder after utilizing the provisions ranged between 9 per cent and 16 per cent of the net provisions relating to those Objects.

## 17.4 Accountability and Good Governance

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### 17.4.1 Internal Audit

---

Internal Audit Unit had not been established.

### 17.4.2 Implementation of the Audit and Management Committee

---

One meeting of the Audit and Management Committee only had been held during the year under review.

## 17.5 Non-compliances

---

### Non-compliances with Laws, Rules and Regulations

---

Instances of non-compliance with the provisions of Laws, Rules, and Regulations observed at audit test checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
	Rs.	
<b>(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka</b> <hr/> Chapter VII- Section 9.3	-	In addition to the annual salary increment, ten salary increments had been granted to all officers since the year 2004.
Chapter XXI	42,000	In addition to the officers entitled for the uniform allowance, 07 staff grade officers had also been paid the uniform allowance.
<b>(b) Public Administration Circulars</b> <hr/> (i) Circular No.09/2009 (i) of 17 June 2009 <ul style="list-style-type: none"> <li>• Paragraph 2</li> </ul>		Five officers had not recorded their arrival and departure.

- Paragraph 3 Even though finger print machines should be used in every office irrespective of the number of employees in an office, action had not been taken accordingly.
- (ii) Circular No.05/2013 of 22,000 Payments exceeding the approved limit had been paid to the officers entitled for the uniform allowance.  
22 April 2013-  
Paragraph 2(a)

## 17.6 Transactions of Contentious Nature

-----

Officers of the island wide services namely, the Sri Lanka Administrative Service and the Combined Service had employed in the Office of the Leader of the House of Parliament, while 10 salary increments in addition to the annual salary increment granted to the staff of Parliament had also been granted to the said officers in 04 instances. In case of transfers of these officers to other departments or ministries, it was observed in audit that there is a possibility of arising salary anomalies as compared with those of allied services in such institutions.

## 17.7 Human Resources Management

-----

### Approved Cadre and Actual Cadre

-----

The position of cadre as at 31 December 2013 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	03	03	-
(ii)	Tertiary Level	01	01	-
(iii)	Secondary Level	10	08	02
(iv)	Primary Level	14	11	03
(v)	Other	03	03	-
	(casual/temporary/contract basis)	---	---	---
	<b>Total</b>	<b>31</b>	<b>26</b>	<b>05</b>
		==	==	==

Action had not been taken by the institution to fill 05 vacancies as at the end of the year under review.

## **18. Head 18 – Office of the Chief Government Whip of Parliament**

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### **18.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Chief Government Whip of Parliament 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 of the Office on 14 August 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.

### **18.2 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 and the Reconciliation Statements in accordance with the Articles 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.

### **18.3 Audit Observation**

---

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and other major audit findings appearing in paragraphs 18.4 to 18.9 herein, the Appropriation

Account of the Office of the Chief Government Whip of Parliament had been prepared satisfactorily.

**(a) Budgetary Variance**  
-----

Excess provision had been made for 01 Object and as such, the savings amounted to Rs.76,328 after utilization of provisions and it had been 15 per cent of the net provision of that Object.

**18.4 Good Governance and Accountability**  
-----

**18.4.1 Internal Audit**  
-----

An adequate internal audit had not been carried out by the Internal Audit Unit and copies of the reports had not been furnished to the Auditor General.

**18.4.2 Implementation of Audit and Management Committee**  
-----

Action had only been taken to establish an Audit and Management Committee.

**18.5 Unsettled Liabilities**  
-----

The liabilities less than one year as at 31 December 2013 shown in the Appropriation Account totalled Rs.107,531. Liabilities of Rs.1,030,862 in addition to these liabilities had not been shown in the Appropriation Account.

**18.6 Non-compliances**  
-----

**Non-compliance with Laws, Rules, Regulation etc.**  
-----

The instances of non-compliance with the provisions of laws, rules and regulations observed during the course of audit test checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
-----	-----	-----
	<b>Rs.</b>	
<b>(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka</b> ----- Chapter XXI Sections 2 and 3	90,000	Uniform allowance had been paid to 15 staff grade officers and non-staff grade officers in addition to officers who were entitled for uniform allowances in terms of the Establishments Code.
<b>(b) Public Administration Circulars</b> -----		
(i) Paragraph 02(b) of the Circular No. 05/2013 of 22 April 2013.	36,000	Uniform allowances had been paid exceeding the uniform allowances entitled according to the circular.
(ii) Paragraph 02(i) of the Circular No. 09/2009(1) of 17 June 2009	-	Four officers had not signed their times of arrival and departure in any Register.
(iii) Paragraph 02(iv) of the Circular No. 09/2009 of 16 April 2009	-	The allowance of Rs. 750 per day for work after 6.30 p.m on days of sitting had been paid to 4 officers whose times of arrival and departure had not been confirmed either by the Attendance Register or Finger Print Machine.



- (iv) Paragraph 03 of the Circular No. 09/2009 of 16 April 2009 - The Finger Print Machines should be used without considering the number of staff employed in the institute. But, action had not been taken accordingly.

### 18.7 Transactions of Contentious Nature

-----

The allowance of Rs.750 per day paying for officers who work on the days of Parliamentary sitting, considering their transport difficulties, had also been paid to officers entitled for official transport facilities.

### 18.8 Irregular Transactions

-----

Ten additional salary increments had been given in 4 instances in addition to the annual salary increments without an approval of the Cabinet of Ministers contrary to Section 4 of the Parliamentary Staff Act No. 09 of 1953.

### 18.9 Human Resources Management

-----

#### Approved Cadre and Actual Cadre

-----

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	02	02	-	-
(ii) Tertiary Level	09	08	01	-
(iii) Secondary Level	15	11	04	-
(iv) Primary Level	17	16	01	-
(v) Others (Casual/ Temporary/ Contract Basis)	-	01	-	01
<b>Total</b>	<b>43</b>	<b>38</b>	<b>06</b>	<b>01</b>
	===	===	===	===

The following observations are made.

- (a) Action had not been taken even by the end of the year under review to fill 06 vacancies.
- (b) A retired officer had been deployed in the service on casual basis in addition to the approved cadre.

## **19 Head 19- Office of the Leader of the Opposition of Parliament**

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### **19.1 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 Opposition Leader in the Parliament for the year ended 31 December 2013 was carried out 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 to the Ministry on 15 August 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.

### **19.2 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 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 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.

### 19.3 Audit Observation

-----

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) to (c) and other major observations appearing in paragraphs 19.4 to 19.10 herein, the Appropriation Account and the Reconciliation Statements of the Office of the Leader of the Opposition of Parliament had been prepared satisfactorily.

#### (a) Non-maintenance of Books and Registers

-----

Sample audit checks revealed that the following registers had not been maintained by the Office.

<b>Type of Register</b>	<b>Regulation</b>
-----	-----
(i) Register of Fixed Assets on computers and software	Treasury Circular No IAI/2002/02 dated 28 November 2002
(ii) Register of Fixed Assets	Treasury Circular No 842 dated 19 December 1978
(iii) Register of Losses and Damages	Financial Regulation 110

#### (b) Replies to Audit Queries

-----

An audit query issued to the Office during the year under review had not been replied even as at 31 March 2014.

#### (c) Budgetary Variations

-----

The following observations are made.

- (i) Excess provisions had been obtained for 07 Objects and as such the savings amounting to Rs.1,797,660 thereunder after utilizing the provisions which ranged between 7 per cent and 54 per cent of the net provisions relating to those Objects.

- (ii) Recurrent Expenditure amounting to Rs.117,720 had been accounted under a Capital Object.

#### **19.4 Good Governance and Accountability**

-----

##### **19.4.1 Annual Procurement Plan**

-----

Annual Procurement Plan had not been prepared even as at 31 December 2013 in terms of National Budget Circular No 128 dated 24 March 2006.

##### **19.4.2 Internal Audit**

-----

An internal audit unit had not been established.

##### **19.4.3 Implementation of the Audit and Management Committee**

-----

Audit and Management Committee had not been established.

#### **19.5 Assets Management**

-----

##### **Idle and Underutilized Assets**

-----

Sample audit checks revealed that certain assets had remained idle or underutilized as classified below.

<b>Type of Asset</b>	<b>No of Units</b>	<b>Idle or Underutilized Period</b>
-----	-----	-----
Motor bicycles	01	2 years
Computer monitors	02	2 years
UPS	05	2 years
Cellular phones	01	2 years
Tape recorder	01	2 years

#### **19.6 Non-compliances**

-----

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

-----

The following instances of non-compliance were revealed during sample audit checks.

<b>Reference to Laws , Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
-----	-----	-----
	<b>Rs.</b>	
<b>(a) Establishments Code of Democratic Socialist Republic of Sri Lanka</b>		
-----		
(i) Section 1.1 of Chapter XXVIII and Paragraph 02 of Public Administration Circular No 58/89 dated 30 November 1989	-	Times of arrival and departure had not been recorded by the Coordinating Secretary of the Secretary
(ii) Section 23 of Chapter XII, Sections 7.1, 7, 2, 7.3 of Chapter V and Section 1.6 of Chapter VII	70,770	Co-ordinating Secretary of the Secretary had not reported for duty without getting the leaves properly approved. Though she had gone abroad during the same period without approval, she had been paid salary and allowances.
<b>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</b>		
-----		
(i) Financial Regulation 135(1)	-	The financial responsibilities had not been delegated in such a manner so that each transaction could be monitored by several officers.
(ii) Financial Regulation 135(4)	-	The financial control for the year 2013 had been assigned by improperly preparing the register without mentioning the financial limits.
(iii) Financial Regulation 141(3)	-	As per Financial Regulation 139 an officer concerned with payment vouchers had acted as the second signatory of cheques issued for payments contrary to Financial Regulations
<b>(c) Circulars of the Presidential Secretariat</b>		
-----		
Section (b) of the Circular No PC/MD/AD/2/1/1/26 dated 09 April 2012	-	The office had not taken timely and prompt actions on the audit queries.

**(d) Public Administration  
Circulars**

-----

- |       |  |        |  |
|-------|--|--------|--|
| (i)   | Paragraphs 4 and 5 of Circular No 13/2008 dated 26 June 2008 | 36,512 | Fuel had been obtained through Government orders for a vehicle without additional fuel being approved.                             |
| (ii)  | Paragraph 2 of Circular No 09/2009(1) dated 17 June 2009     | -      | Finger print machines had not been used whereas; several officers had not signed the attendance register maintained by the office. |
| (iii) | Paragraph 6 of Circular No 13/2008 dated 26 June 2008        | 16,440 | Fuel allowance had been paid to the Coordinating Secretary for a duration of a month during which she had gone abroad.             |
| (iv)  | Paragraph 3 of Circular No 41/90 dated 10 October 1990       | -      | Vehicles had been repaired without obtaining a report from a qualified mechanical engineer.  |
| (v)   | Paragraph 4.11 of Circular No 41/90 dated 10 October 1990    | -      | Amount of fuel consumed and mileage had not been entered in the running charts daily.  |
| (vi)  | Paragraph 2.11 of Circular No 41/90 dated 10 October 1990    | -      | Fuel consumption had not been tested once in 6 months.   |

**(e) Public Finance Circular**

-----

- |   |         |  |
|---|---------|--|
| Paragraph 3 of Circular No 431 dated 24 April 2008. | 721,143 | Subsidiary companies of State banks should be involved in purchasing air tickets and organizing flights though this requirement had been unheeded. |
|---|---------|--|

**(f) National Budget Circulars**

-----

- |                                     |   |   |
|-------------------------------------|---|---|
| Circular No 138 dated 04 April 2008 | - | The estimated amount for the construction of building for Office of the Opposition Leader had been exceeded by Rs. 2,957,984 without approval from the Cabinet. |
|-------------------------------------|---|---|

**(g) Government Procurement Guidelines**

---

- |      |                    |   |   |
|------|--------------------|---|---|
| (i)  | Guideline 3.4.3(a) | - | Purchases in 5 instances had been made contrary to Government Procurement Guidelines. |
| (ii) | Guideline 3.4.3(d) | - | Suppliers for the year 2013 had not been registered.                                  |

**19.7 Transactions of Contentious Nature**

---

Some of the transactions performed by the Office were of contentious nature. Particulars of few such transactions revealed at sample checks are as follows.

- (a) An allowance of Rs. 750 per day, considering the transport problems had been paid to officers who officiated after 6.30 p.m. when meetings were held. This transport allowance had been paid to 3 officers entitled to official vehicles.
- (b) Contrary to conditions stated in the lease agreement entered into for renovation of Office of the Opposition Leader, a sum of Rs. 3,150,000 had been paid in 4 instances.
- (c) Cabinet approval had been granted on 09 June 2011 to obtain Rs. 28,400,000 from the Treasury for Architects fees, Project management fees, purchases of goods and instruments of an additional building to be constructed at the office of the Opposition Leader. Unheeding this approval, a sum of Rs. 31,357,984 had been paid to the Civil Security Department in 31 December 2012 by entertaining the quotation submitted on 01 November 2012 to the value of Rs. 33,924,645 (without VAT)
- (d) One hundred and seventy litres of fuel had been obtained for a vehicle which could perform 8km per litre of fuel. Accordingly, 71 litres of fuel had been obtained in excess.

### 19.8 Transactions Without Adequate Authority

The following transactions sans authority were observed in audit.

- (a) Contrary to Section 4 of Parliamentary Staff Act No 9 of 1953, officers had been offered 10 additional salary increments in 4 instances without being approved by the Cabinet.
- (b) As for a foreign trip, allowances should be paid on the no. of days from the time of departure from the island to the time of arrival in the island in terms of Public Administration Circular No 01/2010/1 dated 11 October 2010. Nevertheless, an amount of Rs 281,103 had been overpaid.

### 19.9 Losses and Damages.

A sum of Rs.242,935 had been received as compensation following accidents that took place in 4 instances. Nevertheless, those particulars had not been mentioned in the statement of losses and damages in the Appropriation Account.

### 19.10 Human Resources Management

#### Actual and Approved No of Cadres

The Position of cadre as at 31December 2013 had been as follows.

Category of Employee	Approved Carder	Actual Carder	Number of Vacancies
(i) Senior Level	03	02	01
(ii) Tertiary Level	11	06	05
(iii) Secondary Level	21	20	01
(iv) Primary Level	17	16	01
(v) Other (Casual/Temporary/Contract)	10	10	-
<b>Total</b>	<b>62</b>	<b>54</b>	<b>08</b>



The following observations are made.

Action had not been taken by the end of the year under review to fill 8 vacancies. The post of Assistant Secretary and the post of Senior Assistant Secretary had remained vacant since 31 August 2011 and 31 December 2012 respectively.

## **20 Head 20 – Department of Elections**

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### **20.1 Scope of Audit**

---

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Elections 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 Head of the Department on 28 August 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.

### **20.2 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 and the Reconciliation Statements in accordance with the Articles 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.

### **20.3 Audit Observation**

-----

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and other major audit findings appearing in paragraphs 20.4 to 20.5 herein, the Appropriation Account and the Reconciliation Statements of the Department of Elections have been prepared satisfactorily.

#### **(a) Advance to Public Officers Account**

-----

According to the Reconciliation Statement of the Advance to Public Officers Account Item No.02001 as at 31 December 2013 the balances that remained outstanding as at that date totalled Rs.972,966 and the department had failed to recover those outstanding balances even by the end of the year under review.

### **20.4 Irregular Transactions**

-----

Certain transactions entered into by the Department were devoid of regularity. Several such instances observed are given below.

- (a) The activities on additions and improvements to the Elections Secretariat Building and repairs to the latrine and wash room attached to the office room of the Commissioner of Elections on an estimate of Rs.43,806,496 had been entrusted to the Department of Buildings.

The following observations are made in this regard.

- (i) Even though a formal contract agreement should be entered into for works exceeding Rs.250,000 in terms of the Guideline 8.9.1 of the Government Procurement Guidelines, the Department had not entered into a formal agreement with the Department of Buildings.
- (ii) Even though sums of Rs.10 million and Rs.12 million had been paid to the contractor on 08 March 2013 and 08 July 2013 respectively, the money had not been retained in terms of the Guideline 5.4.6 of the Government Procurement Guidelines.

- (b) Even though the vehicles which need major repairs should not be used for activities of Elections in terms of paragraph 2.1 of the Elections Commissioner's Circular No. PCE/24/2012 dated 25 August 2012, a vehicle belonging to a Government Department which needed repairs had been used for the Provincial Council Elections held on 08 September 2012 and an expenditure of Rs.883,921 had been incurred by the Department of Elections for repairs to the vehicle.

## 20.5 Human Resources Management

### ----- Approved Cadre and Actual Cadre -----

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

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
	-----	-----	-----	-----
(i)	Senior Level	41	32	09
(ii)	Tertiary Level	13	06	07
(iii)	Secondary Level	481	338	143
(iv)	Primary Level	158	143	15
		-----	-----	-----
	Total	693	519	174
		=====	=====	=====

It had been failed to fill 174 vacancies by 31 December 2013.

## **21 Head 21 – Auditor General**

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### **21.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements, books registers and other records of the Auditor General 's Department 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 Head of the Department on 17 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.

### **21.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements**

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The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation statements in accordance with the Articles 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.

### **21.3 Audit observation**

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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) to (d) and other major audit findings appearing in paragraphs 21.4 to 21.6 herein, the Appropriation Account and the Reconciliation statement of the Auditor General's Department had been prepared satisfactorily.

#### **(a) Non-maintenance of Registers and Books**

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A Register of Losses and Damages had not been maintained in an updated manner by the Department in terms of Financial Regulation 110.

#### **(b) Budgetary variance**

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Excess provisions had been made for 05 Objects and as such the savings thereunder after utilizing the provisions amounted Rs.55,315,546 and it ranged between 62 percent and 91 per cent of the net provisions relating to those objects.

#### **(c) Revenue Account**

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The following observations are made.

- (i) According to 01 Account presented, revenue amounting to Rs.189,455,801 had been in arrears and the arrears of such revenue related to a period ranging from 01 year to 03 years.
- (ii) The method of accounting of audit fees adopted was to take into account the issuing date of audit fees bills without considering the relevant year. As a result, the audit fees bills for certain portion of the semi Government institutions, such as certain Municipal Councils, Urban Councils, Pradeshiya Sabhas, Corporations and Boards had not been issued and accounted for, relating to some of the years from the year 2009 to 2012 even by end of the year under review.
- (iii) Even though the bills had been issued, the audit fees of certain institutions had not been recovered for over a long period.

- (iv) Even though the audit fees of certain institutions for the year under review and for recent years had been charged, audit fees for previous years had not been charged.
- (v) Even though certain Funds functioning under the Departments had been audited, the audit fees bills had not been issued and recovered.
- (vi) Inordinate delays were observed in obtaining prior approval from the relevant Ministry for charging audit fees from Corporations, Boards and Semi Government Institutions.

(d) Reconciliation Statement of Advances to Public Officers Account

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 According to the Reconciliation Statement of the Advances to Public Officers Account, item No.02101 as at 31 December 2013, the balance that remained outstanding as at that date totalled Rs.3,340,243.

21.4 Accountability and Good Governance

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 Implementation of Audit and Management Committee  
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The Audit and Management Committee had not been implemented adequately.

21.5 Assets Management

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 The following observation is made.

Conduct of Annual Boards of Survey

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 In terms of Public Finance Circular No.441 of 09 December 2009 as amended by the letter No.PF/Board of Survey / 01 dated 17 December 2010 of the Director General of Public Finance, the Annual Boards of Survey for 2013 should be conducted and the reports thereon should be furnished to the Auditor General before 31 March 2014. Nevertheless the reports relating to 05 branches had not been furnished for audit by the Department even by 31 October 2014.

## 21.6 Human Resources Management

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### Approved cadre and Actual cadre.

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i) Senior Level	354	213	141
(ii) Tertiary Level	1,215	824	391
(iii) Secondary Level	177	138	39
(iv) Primary Level	181	118	63
Total	<u>1,927</u>	<u>1,293</u>	<u>634</u>

## 22 Head 22 Office of the Parliamentary Commissioner for Administration

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### 22.1 Scope of Audit

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The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Parliamentary Commissioner for Administration for the year ended 31 December 2013 was carried out 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 Commissioner on 05 August 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 audit coverage as possible within the limitations of staff, other resources and time available to me.

## 22.2 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 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 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.

## 22.3 Audit Observation

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According to the Financial Records and 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 22:4 to 22:7 herein, the Appropriation Account and the Reconciliation Statements of the Office of the Parliamentary Commissioner for Administration had been prepared satisfactorily.

### (a) Non-maintenance of Books and Registers

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It was observed that the office had not maintained the following registers.

<b>Category of Register</b>	<b>Relevant Regulation</b>
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(i) Fixed Assets Register for computers and accessories.	Treasury Circular No IAI/2002/2 dated 28 November 2002
(ii) Register of Liabilities	Financial Regulation 214
(iii) Register of Fixed Assets	Circular No 842 dated 19 December 1978

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

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As per the reconciliation statement for the Advance account under the Item No 02201 as at 31 December 2013, the outstanding balance totaled Rs. 62,987.



## 22.4 Good Governance and Accountability

### 22.4.1 Internal Audit

An internal audit unit had not been established.

### 22.4.2 Implementation of the Audit and Management Committee

The Audit and Management Committee had not been established.

## 22.5 Non-compliances

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

The savings after the utilization of provisions allocated for 3 Objects without being complied with Financial Regulation 94(1) had been exceeded by Rs.39,220 worth of liabilities at the end of the year under review.

## 22.6 Performance

The total No of complaints received by the Parliamentary Commissioner for Administration was 2164 including 682 brought forward from 2012 and 1482 received during the year 2013. Four Hundred and Fifty files had been concluded during the year under review with recommendations given for 131 complaints, 127 files referred to other institutions for appropriate actions and 192 files for which intervention was not possible.

## 22.7 Human Resources Management

### Approved Cadres and Actual Cadres

Cadre position as at 31 December 2013 was as follows.

	Category of Employee	Approved Carder	Actual Carder	No of Vacancies
(i)	Senior Level	01	01	-
(ii)	Tertiary Level	02	01	01
(iii)	Secondary Level	18	10	08
(iv)	Primary Level	08	02	06
(v)	Other(Casual/Temporary /Contract basis)	01	01	-
	<b>Total</b>	<b>30</b>	<b>15</b>	<b>15</b>