

18. Head 16 - Parliament

18.1 Non-maintenance of Registers and Books

It was observed during the course of audit test checks that the Parliament had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Type of Registers	Relevant Regulations	Observation
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Register of Fixed Assets	Treasury Circular No 842 of 19 December 1978	Not maintained
Register of Fixed Assets on Computers, Accessories and Software.	Treasury Circular No.IAI/2002/02 of 28 November 2002	Not maintained
Register of Electrical Equipment	Financial Regulation 454(2)	Not maintained
Register of Losses	Financial Regulation 110	Not maintained
Register of Listing of Motor Vehicles	Financial Regulation 1647(e)	Not maintained
Attendance Register of Procurement Committee and Technical Evaluation Committee.	Guideline 2.11.2 of Government Procurement Guidelines.	Not maintained
Register of Bid Invitation	Guideline 5.2.1 of Government Procurement Guidelines on Format 5.2.1 in Procurement Manual	Not maintained
Stock Book	Financial Regulation 454(1) and Form General 44	Not updated

18.2 Lack of Evidence for Audit

The following observations are made.

- (a) A transaction amounting to Rs.25,000,000 could not be satisfactorily vouched in Audit as the Parliament did not produce the payment vouchers and the particulars related thereto for audit.
- (b) The information on the approved Recruitment Scheme and the Promotion Scheme had not been produced by the Parliament to audit.
- (c) The particulars of recruitment on the parent basis were not produced for audit.
- (d) Copies of documents relating to the acquisition of lands and buildings owned by the Parliament had not been produced to audit to establish in title and existence.

18.3 Replies to Audit Queries

Replies to 3 audit queries issued to the Parliament during the year under review, had not been furnished even by 31 March 2015.

18.4 Appropriation Account

Budgetary Variance

The following observations are made.

- (a) The entire net provisions amounting to Rs.50,300,000 made for 2 Objects had been saved.
- (b) Excess provision had been made for 20 Objects and as such the savings, after the utilization of provisions, ranged between 11 per cent to 97 per cent of the net provisions relating to the respective Objects

18.5 General Deposit Account

Action in terms of the Financial Regulation 571 had not been taken on 6 deposits totalling Rs.242,800 older than 2 years.

18.6 Reconciliation Statement of the Advances to Public Officers Account

The following deficiencies were observed during the course of test checks of the Reconciliation Statement as at 31 December 2014 of the Advances to Public Officers Account Item No.01601.

- (a) According to the Reconciliation Statement as at 31 December 2014 presented for audit, the balances that remained outstanding as at that date totalled Rs.1,693,395. The follow-up actions on the recovery of those outstanding balances had been at a weak level in despite the elapse of periods ranging from 1 year to 19 years.
- (b) Even though the loan balances of two officers deceased and retired in the year 2004 amounting to Rs.529,019 remained over a period exceeding 11 years, actions had not been taken even during the year under review either for recovery or write off of those balances from books.
- (c) Action had not been taken either to recover or write off of the loan balances totalling Rs.947,096 due from officers who had vacated post and existing since the year 1995.
- (d) Action had not been taken either for recovery or write off the outstanding balance of Rs.121,540 existing since the year 2006 under other loan balances.

18.7 Good Governance and Accountability

Internal Audit

Action had not been taken to strengthen the Internal Audit Unit by recruiting qualified officers.

18.8 Assets Management

The following observations are made.

(a) Conduct of Annual Board of Survey

Even though the Annual Board of Survey for the year 2014 should have been conducted and the reports thereon should had been furnished to the Auditor General before 17 March 2015, in terms of the Public Finance Circular No. 2/2014 of

17 October 2014, those reports had not been furnished to Audit even by 31 May 2015. The last Annual Board of Survey conducted had been for the year 2011.

(b) Unsettled Liabilities

The unsettled liabilities of the Parliament less than one year old as at 31 December 2014 amounted to Rs.38,395,040.

18.9 Non-compliances

Non-compliance with Laws, Rules and Regulations

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

Reference to Laws, Rules and Regulations	Value	Non-compliance
	----- Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i) Financial Regulation 137	5,088,424	The authorized officer had not approved 9 payment vouchers.
(ii) Financial Regulations 262(2) and 262(3)	-	Even though the PAID seal had been stamped on the supporting documents of payment vouchers, those had not been initialled and dated.
(iii) Financial Regulation 772(3)	-	All the goods sold by auction had not been eliminated from the Inventory Register of the Parliament.

(b) Public Administration Circulars

- | | | |
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| (i) Paragraph 3.13 of the Circular No. 41/90 of 10 October 1990 | 436,230 | A report from a qualified Engineer had not been obtained in regard to the reasonableness of the quotation submitted by the garage for repairs to official motor vehicles. |
| (ii) Paragraph 1(iii) of the Circular No. 09/2007 of 11 May 2007 | | Even though re-employment of pensioners should be limited to a period of 12 months, 4 pensioners had been deployed in service beyond that limit. |
| (iii) Paragraph 4 of Circular No. 09/2009 of 16 April 2009 | | Salaries of 57 officers had been paid without the confirmation of their arrival and departure. |
| (iv) Paragraph 2(iv) | 206,250 | Transport allowance at the rate of Rs.750 had been paid to 55 officers for 5 days in August 2014 on which Parliament had sittings without confirmation of arrival and departure. |
| (v) Paragraph 03 of Circular No.30/2008 of 31 December 2008 | | - Distress loans which exceeded the maximum of Rs.250,000 payable had been paid to 14 officers. |

18.10 Deficiencies in the Operation of Bank Accounts

In addition to the official Bank Account of the Parliament, there were three other Bank Current Accounts with balances amounting to Rs.19,457,910 as at 31 December 2014. According to an analysis of the adjustments shown in the Bank Reconciliations prepared by the Parliament for December 2014, there were 10 cheques valued at Rs.201,761 not presented for payment over periods exceeding 6 months on which action in terms of the Financial Regulation 396(d) had not been taken.

18.11 Transactions of Contentious Nature

Certain transactions executed by the Parliament were of contentious nature. The particulars of several such instances revealed during the course of audit test checks are given below.

- (a) Despite the availability of an Engineering Department of the Parliament with a staff of 67, Partitioning of a section of the garage of the Parliament at a cost of Rs.851,200 and installing two glasses in the room occupied by the Mail Distribution Officers of Parliament at a cost of Rs.331,109 had been done through an external party.
- (b) A lump sum payment of Rs.443,613 as the rent allowances from July 2012 to July 2014 had been made to an officer of the Parliament based on the Letter of the Secretary to the Judicial Service Commission on the Monthly Allowances of Judges and Rs.18,000 per month had been paid thereafter. Even though the formulation of the Financial Regulations on the allowances under the Parliamentary Staff Act had been assigned to the Parliamentary Staff Advisory Committee, Financial Regulations in this connection had not been prepared.

18.12 Irregular Transactions

Certain transactions entered into by the Parliament had been devoid of regularity. Several such instances observed are given below.

(a) Deviation from the Government Procurement Guidelines Procedure

The following observations are made.

- (i) Even though the Guideline 8.9.1 of the Government Procurement Guidelines provides for entering into a formal agreement for works costing over Rs.250,000, a contract agreement had not been entered into with the private Institution in connection with the construction of the souvenir show room.
- (ii) Thirty nine Sarees and 39 meters of lining materials had been purchased for the Parliamentary Staff for Rs.160,680 from a private institution without inviting competitive quotations in terms of the Guideline 3.4.2(b) of the Government Procurement Guidelines.

(b) Transactions without Authority

The following transactions without authority were observed during the course of audit test checks of transactions executed by the Parliament during the year under review.

- (i). Provision amounting to Rs.282,100,000 had been transferred during the years 2008 to 2014 from the official Bank Current Account to the other additional Bank Accounts without the approval of the Treasury and such transfers had been reported to the Treasury as expenditure. The money so transferred had been invested in 4 fixed deposit accounts in two Banks. The balances of those fixed deposit accounts as at 31 December 2014 amounted to Rs.212,952,795. A sum of Rs.58,451,845 in the year 2013 and a sum of Rs.32,433,369 in the year 2014 had been withdrawn due to maturity of deposits.
- (ii). In addition to the above balances , Sterling Pounds 75,201 and U.S.\$301,010 remained as at 31 December 2014 in 4 other fixed deposits accounts. The authority of the Treasury had not been obtained in this connection.

18.13 Unresolved Audit Paragraphs

Reference to the paragraph on which the Parliament had not rectified the deficiencies out of those pointed out in the paragraphs included in the Reports of the Auditor General on the Parliament is given below.

Reference to the Report of the Auditor General		Subject under reference
Year	Paragraph Number	
2013	1.3 (b)	Non-furnishing information for Audit.
	1.3 (f) (iii)	Action not taken for the recovery or write off of the balances amounting to Rs.91,990 older than 16 years receivable from interdicted officers.
	1.3 (f) (iv)	Loans obtained by officers had not been posted in the Members Loan Registers.
	1.5 (a)	Failure to forward the Board of survey Report for the year 2013.
	1.6 (a) (i)	Grant of 10 Salary increments in addition to the annual salary increment to the Parliamentary staff.
	1.6 (a) (i)	Non-formulation of Financial Regulations on Salaries, allowances and leave of parliamentary staff.
	1.6 (a) (ii)	Non-preparation of a formal Scheme of Recruitment by the Parliament.
	1.8	The transport allowance paid to officers working after 6.30 p.m. on Parliament sitting days due to transport difficulties had been paid to officers who were provided with official motor vehicles.
2011	1.5 (a)(i)	Grant of 14 Salary increments in addition to the annual salary increment to 3 officers by the Secretary General of Parliament without the approval of the Parliamentary Staff Advisory Committee.

18.14 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of vacancies	Excess
(i) Senior Level	55	52	03	-
(ii) Tertiary Level	150	133	17	-
(iii) Secondary Level	207	183	24	-
(iv) Primary Level	470	454	16	
(v) Others(casual/temporary/ contract basis)	73	78	02	07
Total	955	900	62	07
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The following observation is made

The Parliament had not taken action to obtain the formal approval for the excess cadre recruited.