

Report of the Auditor General on Head 229 – Department of Attorney General -Year 2015

The audit of the Appropriation Account, Revenue Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 229 – Department of Attorney General for the year ended 31 December 2015 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 22 September 2016. The audit observations, comments and findings on the accounts and 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 and the Accounting Officer for the Accounts and the Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account, Revenue 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.

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Department amounted to Rs.1,268.12 million and out of that Rs.746.22 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Department amounted to Rs.521.90 million or 41.16 per cent. Details are given below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	657.62	655.07	2.55	0.39
Capital	610.50	91.15	519.35	85.07
Total	1,268.12	746.22	521.90	41.16
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2:2 Revenue Account

Estimated and Actual Revenue

The Department had prepared Revenue Estimates totalling Rs.35.30 million in respect of a Revenue Code for the year 2015 and Revenue totalling Rs. 32.59 million had been collected during the year under review. Revenue amounting to 92.32 per cent of the estimated Revenue had been collected. Details appear below.

Revenue Code	As at 31 December 2015			Shortfall as a Percentage of Estimate
	Estimated Revenue	Actual Revenue	Shortfall	
	Rs. Millions	Rs. Millions	Rs. Millions	
20.03.02.11	35.30	32.59	2.71	7.68

2.3 Advance Account

Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account, Item No.22901 of the Department and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
23.00	15.66	11.50	15.27	80.00	41.99

2.4 Imprest Account

The balance of the Imprest Account No.7002/0000/00/0137/0015/000 of the Department as at 31 December 2015 totalled Rs.11.13 million.

2.5 **General Deposit Account**

The balances of Deposit Account No. 6000/0000/00/0018/0047/000 under the Department as at 31 December 2015 totalled Rs.1.64 million.

2.6 **Audit Observation**

The Appropriation Account, Revenue Account and the Reconciliation Statements of the Department of Attorney General for the year ended 31 December 2015, had been prepared satisfactorily subject to the Audit Observations, appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and significant Audit Observations out of the Audit Observations included in the Management Audit Report appear in paragraph 3.

3. **Material and Significant Audit Observations**

3.1 **Non-maintenance of Registers and Books**

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

<u>Type of Register</u>	<u>Relevant Regulation</u>
Register of Fixed Assets	Treasury Circular No.842 of 19 December 1978
Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002
Register of Losses and Damage	Financial Regulation 110

3.2 **Revenue Account**

The duties relating to the preparation of Revenue Estimates, collection of Revenue, Accounting and the presentation of Accounts relating to the Revenue Code No.20.03.02.11- Legal Fees from Corporations and Statutory Bodies had been assigned as the Revenue Accounting Officer. The following deficiencies were observed during the course of the audit test checks of that Revenue Code.

- (a) The decrease in the actual revenue of the year under review as compared to the actual revenue of the preceding year amounted to Rs.3.5 million. Even though the arrears of revenue according to the Revenue Account presented to Audit totalled Rs.148,012,188 , it had been Rs.195,676,745 according to the matters revealed in audit. As such, the arrears of revenue not brought to account had been Rs.47,664,557.
- (b) In terms of Financial Regulation 128(2) (e), special provision should be made by the Accounting Officers in respect of the recovery of arrears of revenue receivable to the Government without delay. Nevertheless, the arrears of revenue as at 31 December 2015 amounted to Rs.195, 676,745 and the age analysis thereon is given below.

Period of Arrears of Revenue	Arrears of Revenue Rs.
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Less than 1 year	25,868,150
Over 1 year less than 3 years	85,990,918
Over 3 years less than 6 years	47,682,512
Over 6 years less than 9 years	28,853,775
Over 9 years	7,281,390

Total	195,676,745
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- (c) The arrears of revenue remained over one year amounted to Rs.169,808,595 and the age analysis relating to the arrears of revenue and the number of relevant institutions is given below.

Range of Arrears of Revenue	Number of Institutions	Arrears of Revenue
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Rs. Lakhs		Rs.
Less than 5	124	12,862,084
Over 5 less than 10	18	11,933,258
Over 10 less than 50	11	27,252,753
Over 50 less than 100	05	36,556,860
Over 100	03	81,203,640

Total		169,808,595
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3.3 Advances to Public Officers Account

According to the Reconciliation Statement as at 31 December 2015 relating to the Advances to Public Officers Account Item No.22901, the balances that remained outstanding as at that date totalled Rs.2, 372,217. Even though those outstanding balances remained over periods ranging from 1 year to 20 years as at 13 September 2016, the Department had failed to recover those outstanding balances even by 13 September 2016.

Even though only one festival advance should be given to a public officer in any period of twelve months in terms of Section 13.6 of Chapter XXIV of the Establishments Code, contrary to that, instances where the festival advances had been granted again by the Department before the elapse of one year since the receipt of a previous festival advance by officers were observed.

3.4 Good Governance and Accountability

3.4.1 Annual Action Plan

Even though the Department should prepare an Annual Action Plan in terms of the Public Finance Circular No. 01/2014 of 17 of February 2014, the Action Plan for the year under review had not been prepared.

3.4.2 Internal Audit

The net provision of the Department in the year 2015 amounted to Rs.1,268 million and the approved cadre stood at 866 while the total value of assets as at 31 December 2015 had been Rs.727 million. An Internal Audit in terms of Financial Regulation 133 had not been carried out for the year 2015 by the Department.

3.5 Conduct of Annual Boards of Survey

The following observations are made.

- (a) According to the Public Finance Circular No. 02/2014 of 17 October 2014, the Board of Survey for the year 2015 should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2016. Nevertheless, the Department had furnished those reports to Audit on 27 June 2016.
- (b) According to the Reports of the Board of Survey relating to the year 2015, a sample test had been carried out on 50 Divisions out of 125 Divisions and a large number of excesses and shortages were observed. Action on the excesses and shortages pointed out and the other recommendations made had not been taken even by 27 June 2016 in terms of the Financial Regulations.

- (c) Advocates' Offices belonging to the Department of Attorney General had been established in every High Court and official quarters had also been constructed in 14 areas. However, Boards of Survey on the said offices and quarters had not been conducted in the year under review.

3.6 Implementation of Projects under Domestic Financing

Instances of projects abandoned without commencing, projects abandoned without completion and the project delays revealed during the course of audit test checks are given below.

(a) Projects abandoned without commencing

The Department had not commenced the following Project.

Project	Estimated Cost	Due Date of Commencement	Reasons for not commencing (Briefly)
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	Rs.		
Construction of Advocates' Official Quarters- Kurunegala	26,500,000	15.06.2015	Difficulty in completing the preliminary planning. Even though all constructions were expected to be done by the Army, subsequently that situation was changed, thus the constructions could not be done through the Army.

(b) Projects abandoned without completing

Even though the Department had commenced the following Project, that Project had been abandoned without being completed.

Project	Estimated Cost	Date of Commencement	Expenditure up to 31 December 2015	Reasons for abandoning
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	Rs.		Rs.	
Construction of Advocates' Official Residence- Kandy	26,500,000	15.06.2015	223,417	Delay in the commencement of preliminary activities up to December and the constructions could not be done by engaging the Army.

(c) Delays in the execution of Projects

Delays in the execution of the following Projects by the Department were observed.

Project	Estimated Cost	Date of Commencement	Due Date of Completion	Date of Completion	Expenditure as at 31 December 2015	Reasons for Delay
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	Rs.				Rs.	Rs.
Construction of the new building of the Department of Attorney General	1,182.00	01.01.2015	31.12.2017	Not completed	23,489,755	Abolition of the Provision Committee of the Cabinet of Ministers, approval of the Cabinet of Ministers has been received on 29 July 2015.
Construction of Advocates' Official Quarters- Vavuniya, Mannar	53.00	15.06.2015	31.12.2015	Not completed	19,541,311	Not mentioned

3.7 Performance

According to the Performance Report of the year 2015, the position of performance of the Department is given below.

Division	Number of files opened during the year	Number of files sent to the Counsel Division	Number of files completed	Number of files not completed as at 31 December 2015
Civil Division	2719	2192	171	356*
Criminal Cases Division	4791	-	3473	12983
Corporate Division	1681	-	1871	5365
Public Petitions Division	591	-	35	217*
Women and Child Abuse Case Division	3338	-	1801	17709
State Counsel Division	165	-	3315	Not furnished
Supreme Court Division	508	-	532	Not furnished

*pending for the year 2015 only.

The following observations are made.

- (a) Most of the files opened by the Civil Division are referred to the Counsel Division whereas the follow up action on the files had not been taken by the Civil Division.
- (b) The number of incomplete files relating to Criminal Cases and Women and Child Abuse Cases had gradually increased and the number of uncompleted files relating to Criminal Cases and Women and Child Abuse Cases as at 31 December 2015 stood at 12,983 and 17,709 respectively.

3.8 Human Resources Management

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

The position of the cadre as at 31 December 2015 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	401	192	209
(ii)	Tertiary Level	12	10	02
(iii)	Secondary Level	193	120	73
(iv)	Primary Level	255	232	23
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	Total	861	554	307
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Approval of the Department of Management Services had been granted on 12 March 2014 and 16 June 2014 to recruit 130 Assistant State Legal (Probation) Officers on the basis of a monthly payment of Rs.26,000 and to recruit 28 Junior Assistant State Legal Officers respectively. However, the Department had not taken action to fill the vacancies. Further, vacancies existed in 12 posts of Assistant State Attorney and 27 posts of Stenographer. These vacancies had affected the performance of the Department.