

## Report of the Auditor General on Head 13 – Human Rights Commission of Sri Lanka – Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 13 – Human Rights Commission of Sri Lanka for the year ended 31 December 2015 was carried out in pursuance of provisions in Article 154 (1) 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 05 August 2016. 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

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 Reconciliations Statements that are free from material misstatements whether due to fraud or error.

## 2. Accounts

### 2.1 Appropriation Account

#### (a) Total Provision and Expenditure

The total net provision made for the Commission amounted to Rs.186.50 million, and out of that Rs.168.64 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Commission amounted to Rs.17.86 million or 9.58 per cent. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	%
Recurrent	172.20	159.91	12.29	7.14
Capital	14.30	8.73	5.57	38.95
Total	186.50	168.64	17.86	9.58

## 2.2 Audit Observation

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The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Human Rights Commission of Sri Lanka had been satisfactorily prepared subject to the Audit Observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important Audit Observations out of the Audit Observations included in the Management Audit Report appear in Paragraph 3.

## 3. Material and Significant Audit Observations

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### 3.1 Non -maintenance of Registers and Books

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

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

## 3.2 Good Governance and Accountability

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### 3.2.1 Annual Procurement Plan

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According to the Annual Budget Estimates, the provisions of Rs.5.15 million had been authorized by Parliament to obtain goods and services by following Government Procurement Guidelines. In terms of the National Budget Circular No.128 dated 24 March 2006, the Procurement Plan had not been prepared for the utilization of the above provisions.

## 3.3 Assets Management

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The following deficiencies were observed during the audit test checks of the assets of the Commission.

**(a) Idle and Underutilized Assets**  
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It was observed during the audit test checks that one motor vehicle had remained idle and 05 motor vehicles had remained underutilized.

**(b) Conduct of Annual Boards of Survey**  
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Action on the excesses and shortages pointed out and other recommendations made in the reports of the Boards of Survey for the year 2015 had not been taken in terms of the Financial Regulations.

**3.4 Non- compliances**  
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**(a) Non – compliance with Laws, Rules and Regulations**  
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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**  
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**Non- compliance**  
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(i) Statutory Provisions  
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Section 30 of the Human Rights Commission of Sri Lanka Act No.21 of 1996.

The Annual Report for the year 2015 had not been tabled in Paliament.

(ii) Financial Regulations of the Democratic Socialist Republic of Sri Lanka  
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- Financial Regulation 802 (3)

A Register in respect of the vehicles including the details such as the date of purchase, cost, history, repairs effected from time to time, expenditure thereon, idle time etc. had not been maintained.

- Financial Regulation 1647 (b)

A full survey in respect of the vehicles including the equipment belonging to the Commission had not been conducted.

(iii) Public Administration Circulars  
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Paragraph 2 of the Circular No,41/90 dated 10 October 1990.

The fuel consumption tests of the motor vehicles belonging to the Commission had not been done once in 06 months.

**(b) Non -compliance with Tax Requirements**  
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Even though the particulars of the payment of Value Added Tax should be informed to the Commissioner General of Inland Revenue with a copy to the Auditor General before the 15<sup>th</sup> day of the following month, action had not been taken accordingly.

**3.5 Performance**  
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The observations on the progress of the Commission according to the Annual Budget Estimates and the Action Plan for the year 2015 are given below.

**(a) Planning**  
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The following functions had not been executed according to the Action Plan prepared in terms of the Public Finance Circular No.01/2014 dated 17 February 2014.

- (i) Extension and Dissemination of the office system in respect of the 10 Regional Offices and 03 Mobile Offices belonging to the Commission.
- (ii) Improvement of insurance scheme of the officers of the Commission effectively.
- (iii) Taking actions for the protection of human rights of the foreign emigrant workers.
- (iv) To Link Computer Data System of the Head Office and Computer System of the Regional Offices to strengthen the mechanism of protection of human rights.

**3.6 Deficiencies in the Operation of Bank Accounts**  
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**Dormant Bank Accounts**  
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Two bank current accounts maintained by the Commission had been dormant for over a period of one year as at 31 December 2015. Balances totalling Rs.301,900 had remained in those accounts consisting as Rs.48,947 and Rs.252,953 respectively.

**3.7 Transactions of Contentious Nature**  
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Distress loans amounting to Rs.2,835,050 had been paid by the Commission to 16 officers in the year 2015 through a Revolving Fund without proper approval.

**3.8 Irregular Transactions**  
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In terms of the paragraph 3.3(b) of the Public Finance Circular No.PF/423 dated 06 December 2006, if there is any non - statutory Fund and if there are reasonable causations to maintain such a Fund, it was instructed to report to the Department of Public Finance so as to regularize such a Fund by an Act of Parliament giving related reasons. Without taking action accordingly, the

balances of the 04 bank accounts received for the projects totalling Rs.695,355 had been transferred to the Revolving Fund on 26 December 2014.

### 3.9 Management Weaknesses

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Fifty three thousand books had been printed by spending a sum of Rs.1,979,000 in Sinhala and Tamil languages and particulars of distribution of those books had not been properly recorded. It was observed that the facilities for Security and Custody of the rest of the 5520 books had not been made available in the office.

### 3.10 Human Resources Management

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#### Approved Cadre and Actual Cadre

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The position on the cadre as at 31 December 2015 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess Cadre
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(i)	Senior Level	46	16	30	-
(ii)	Tertiary Level	11	-	11	-
(iii)	Secondary Level	135	69	66	-
(iv)	Primary Level	41	40	01	-
(v)	Others	-	36	-	36
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	Total	233	161	108	36
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The following observation is made.

Even though the excess cadre had been 36, the Commission had failed to obtain the approval for the excess cadre even by 31 December 2015.