

**Report of the Auditor General on Head 17 - Office of the Leader of the House of Parliament - Year 2015**

The audit of the Appropriation Account and the Reconciliation Statement including the financial records, books, registers and other records of the Head 17 - Office of the Leader of the House of Parliament 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 Secretary to the Leader of the House on 02 June 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 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 Office amounted to Rs.30.85 million and out of that, Rs.29.18 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Office amounted to Rs.1.67 million or 5.4 per cent of the net provision. 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	28.65	28.20	0.45	1.5
Capital	2.20	0.98	1.22	55.5
<b>Total</b>	<b>30.85</b>	<b>29.18</b>	<b>1.67</b>	<b>5.4</b>

## 2.2. Advances to Public Officers Account

### Limits Authorised by Parliament

The limits authorised by Parliament for the Advances to Public Officers Account of the Office, Item No.01701 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
2.13	1.08	0.93	1.45	4.00	2.60

## 2.3 Imprest Account

The balance of the Imprest Account of the Office as at 31 December 2015 amounted to Rs.159,700.

## 2.4 Audit Observation

The Appropriation Account and the Reconciliation Statement of the Office of the Leader of the House of Parliament for the year ended 31 December 2015 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 Observations out of the 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 audit test checks that the Office had not maintained the following Registers.

Type of Register	Relevant Regulation	Observations
(i) Register of Security	Financial Regulation 891 (1)	Not maintained.
(ii) Attendance Register of Procurement Committee and Technical Evaluation Committee	Guideline 2.11.2 of Government Procurement Guidelines	Not maintained.
(iii) Minutes of Procurement Committee Meetings	Guideline 2.11.3 (a) of Government Procurement Guidelines	Not maintained.
(iv) Register of Bid Invitation	Guideline 5.2.1 of Government Procurement Guidelines	Not maintained.

### 3.2 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.01701 as at 31 December 2015, the balances that remained outstanding as at that date totalled Rs.128,800. Even though those outstanding balances remained over periods ranging from 6 months to 12 months, the Office had failed to recover those outstanding balances.

### 3.3 Good Governance and Accountability

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#### 3.3.1 Annual Performance Report

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Even though in terms of the Public Finance Circular No.402 of 12 September 2012 the Performance Report should have been tabled in Parliament within 150 days after the closure of the financial year by the Office the report had not been tabled in Parliament even by 31 May 2016.

### 3.4 Transactions of Contentious Nature

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Even though the approval to create a Post of Co-ordinating Secretary to the Leader of the House had been given by the Letter of the Director General of Department of Management Services No.DMS/1006 dated 05 August 2015, the appointment had been given to an officer of the Management Assistant's Service, Grade II as the Co-ordinating Secretary of the Leader of the House from January 2015, and a sum of Rs.626,901 had been paid from 16 January to July 2015.

### 3.5 Human Resources Management

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

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

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	03	03	-
(ii)	Tertiary Level	01	01	-
(iii)	Secondary Level	10	08	02
(iv)	Primary Level	16	14	02
(v)	Others (Casual/ Temporary/ Contract Basis)	03	02	01
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	Total	33	28	05
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The following observation is made.

Even though 05 vacancies had existed by the end of the year under review and the provisions had been saved without utilizing according to the Appropriation Account, the existing vacancies of the cadre had not affected for the savings.

**(b) Irregular release of Human Resources to Other Parties**  
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A driver of the Combined Service employed in the Office of the Leader of the House had been released to Presidential Secretariat by the Secretary of the Leader of the House on 05 December 2005 without an approval of the Director General of Combined Service. A sum of Rs.1,825,159 had been paid by the Office of the Leader of the House comprising a sum of Rs.1,757,484 as Outfit Allowance, Sitting Allowance, Duty Allowance and 30 per cent Allowance and other allowances which paying to the staff employed in Parliament premises for the period from the year 2007 to January 2015 and a sum of Rs.67,675 as unavailed leave for that period. Allowances totalling Rs.2,291,000 had been paid by the Presidential Secretariat as well, from July 2007 up to December 2014. Accordingly this employee had obtained salaries and allowances from both institutions for the above period and he had not reported for work of the Presidential Secretariat or Office of the Leader of the House from 09 January 2015 and he had been interdicted from the service from 25 February 2015.