

Report of the Auditor General on Head 19 – Office of the Leader of the Opposition of Parliament – Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 19 - Office of the Leader of the Opposition of Parliament for the year ended 31 December 2015 was carried out in pursuance of provisions in Article 154 (I) 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 Opposition on 21 June 2016. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the Accounts and the 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 of the Leader of the Opposition of Parliament amounted to Rs.84.45 million and out of that Rs.65.75 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provisions of the Office amounted to Rs.18.70 million or 22.14 per cent. Details appear below.

Expenditure	<u>As at 31 December 2015</u>			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	71.75	61.13	10.62	14.80
Capital	12.70	4.62	8.08	63.62
Total	84.45	65.75	18.70	22.14

2.2. Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Office, under the Item No.00901 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
2.26	1.92	1.26	1.76	8.00	4.81

2.3 Audit Observation

It was observed that subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above, the Appropriation Account and the Reconciliation Statements of the Office of the Leader of the Opposition of Parliament for the year ended 31 December 2015, have been prepared satisfactorily. The material and important observations out of the observations included in the Management Audit Report appear in Paragraph 3 herein.

3. Material and Important Audit Observations

3.1 Non-maintenance of Books and Registers

It was observed during audit test check that the Office had not maintained the following registers while certain registers had not maintained properly.

Type of Register	Relevant Regulation	Observation
(a) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular IAI/2002/02 dated November 2002	No. 28 Not maintained
(b) Register of Losses	Financial Regulation 110	Not maintained

(c)	Attendance of Procurement Committee and Technical Evaluation Committees	Guideline of the Government Procurement Procedure 2.11.2	Not maintained
(d)	Minutes of Committee Meetings	Guideline of the Government Procurement Procedure 2.11.3(a)	Not maintained
(e)	Register for Calling Quotations	Guideline of the Government Procurement Procedure 5.2.1	Not maintained
(f)	Fixed Assets Register	Treasury Circular No. 842 dated 19 December 1978	Not Updated
(g)	Audit Query Register	Financial Regulation 452 (1)	Not Updated
(h)	Register of Cheque and Money Orders Received etc.	Financial Regulation 451	Not Updated
(i)	Register of Counterfoil Books	Financial Regulation 341	Not Updated

3.2 Lack of Evidence for Audit

A residential training programme for 03 days had been conducted for 70 officers by spending Rs. 337,697. An amount of Rs. 287,846 had been spent for lodging and foods of the participants. Those expenses could not be satisfactorily vouched in audit due to the unavailability of evidence of confirmation of attendance of the Officers participated.

3.3 Replies to Audit Queries

Reply to an audit query issued during the year under review had not been furnished to audit even by 31 March 2016 by the Office.

3.4 Good Governance and Accountability

3.4.1 Annual Action Plan

The Office had not been prepared the Annual Action Plan for the year 2015 in terms of the Public Finance Circular No 01/2014 of dated 17 February 2014.

3.4.2 Annual Procurement Plan

The Parliament had approved a sum of Rs. 4.45 million under the Annual Budget Estimates for providing goods and services by following the Government Procurement Procedure. The Annual Procurement Plan had not been prepared in terms of the National Budget Circular No. 128 dated 24 March 2006 for the utilization of provision of Rs. 3.77 million.

3.4.3 Annual Performance Report

Even though the Annual Performance Report should be tabled in Parliament according to the Public Finance Circular No.402 dated 12 September 2002 by the Office within 150 days after the end of the financial year, the Performance Report had not been tabled in Parliament even by 15 June 2016.

3.5 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 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 Regulations 139(4) and 264(1)	3,227,624	A formal receipt had not been obtained for the payments.
	(ii) Financial Regulations 245 and 257	378,517	Three payments had been made without certifying the vouchers.
(b)	Government Gazette Notification		
	Extra Ordinary Gazette Notification No.1530/13 dated 01 January 2008	337,697	Even though an amount more than a value of Rs. 25,000 worth payment made a stamp fee should be recovered, payments had been made without recover the same.

3.6 Performance

Even though it was requested by the letter on 20 May 2016 with regard to the performance of the Office of Leader of the Opposition, the information on the performance had not been furnished to audit even by 15 July 2016.

3.7 Irregular Transactions

Deviation from Government Procurement Procedure

Deviated from the Government Procurement Guidelines an institution had been selected by a personal judgment and a payment of Rs. 337,697 had been paid without calling quotations from 03 institutions, for conducting 03 days residential programme for the Officers of the Office.

3.8 Human Resources Management

Approved Cadre and Actual Cadre

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

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	03	03	-
(ii)	Tertiary Level	03	03	-
(iii)	Secondary Level	12	12	-
(iv)	Primary Level	18	14	4
(v)	Other (Casual /Temporary/ Contract Basis)	30	10	20
	Total	66	42	24
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Following observation is made.

There had been 24 vacancies at the end of the year under review. The savings had not affected the vacancies in the staff members though the savings occurred due to non-utilization of provisions in the Appropriation Account in year 2015.