

Head 1 – Report of the Auditor General on Presidential Secretariat-Year 2015

The audit of the Appropriation Account, Revenue Account and Reconciliation Statements including the financial records, books, registers and other records of the Head 1 -Presidential Secretariat 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 President of that office on 25 October 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, 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 Provisions and Expenditure

The total net provision made for the Presidential Secretariat amounted to Rs.3,727.73 million and out of that Rs.3,307.04 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions of the Secretariat amounted to Rs.420.69 million or 11.29 per cent of the net provision. Details are given 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	2,194.22	2,115.99	78.23	3.57
Capital	1,533.51	1,191.05	342.46	22.33
Total	3,727.73	3,307.04	420.69	11.29

2.2 Revenue Account

The Presidential Secretariat had estimated revenue of the Rs.34,000 million for the Revenue Code 10.02.11.00 in respect of the year 2015 and revenue sum of Rs.33,358 million had been collected during the year under review. Accordingly, that represented 98.11 per cent of the estimated revenue.

2.3 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers and the actual amounts under the Item No.00101 relating to the Presidential Secretariat 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
33.00	18.02	16.00	20.63	100.00	62.78

2.4 General Deposit Accounts

The balances of the 06 deposit accounts under the Presidential Secretariat as at 31 December 2015 totalled Rs.471.08 million. Details are given below.

Deposit Account No.	Balance as at 31 December 2015
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	Rs. Millions

6000/0000/00/0015/0001/000	0.19
6000/0000/00/0020/0009/000	61.67
6000/0000/00/0002/0113/000	1.11
6000/0000/00/0013/0073/000	400.92
6000/0000/00/0016/0060/000	7.10
6000/0000/00/0018/0072/000	0.09

Total	471.08
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2.5 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Presidential Secretariat for the year ended 31 December 2015, had been satisfactorily prepared subject to the audit observations, appearing in the Management Audit Report referred in paragraph 1.1 above. The material and significant observations out of the audit observations included in the Management Audit Report appear in paragraph 3.

3. Material and Significant Observations

3.1 Excess Provision

Excess provisions had been made for 12 Objects and as such the savings, after the utilization of provision had been between the range from 23 per cent and 80 per cent of the net provisions relating to the those Objects.

3.2 Implementation of Projects by Domestic Financing

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

- (a) Provision of Rs.50 million had been made to complete the first stage of the building which had been under construction in relating to the Dayata Kirula Exhibition which was scheduled to be held in Matara. Out of that Rs. 42.74 million had been spent as at 30 April 2016. Even though as the first stage, two stories should have been completed by the Presidential Secretariat by 27 February 2015 it had been stopped without being constructed even as at 30 April 2016.
- (b) A total sum of Rs.19.42 million had been made for the Child Friendly Schools Project with a provision of Rs.3 million from Annual Budget Estimate and provision of Rs.16.42 million from Supplementary Estimate, during the year under review. According to the letter of Presidential Secretariat CS/5/ Child Friendly Schools/1-vol iv on 2 July 2015, it had been informed to the Programme Officers that the above project has been over. Even though, according to the file furnished to the audit it had been observed, only appointment of officers and payments to them had been done in relating to the Child Friendly Schools Project and any information whatsoever had not been furnished with regard to the executed programs.

3.3 Irregular Transactions

Even though advances amounting to Rs. 183,000 issued for the various purposes in the year 2015, full amount had been settled without been utilized for the any purpose.

3.4 Performance

In terms of the paragraph 2.4.2 of the Public Finance Circular No.402 of 12 September 2002, Annual Performance Report should be tabled in Parliament within 150 days after the close of the financial year, it had not been tabled in Parliament even by 30 June 2016.

3.5 Human Resources Management

Approved Cadre and Actual Cadre

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	61	44	17
(ii)	Tertiary Level	18	16	02
(iii)	Secondary Level	318	240	78
(iv)	Primary Level	619	245	374
(v)	Other (Casual/ Temporary/Contract)	478	326	152
	Total	1,494	871	623
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