

Report of the Auditor General on Head 302 – Co – Operative Employees Commission - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records books, registers and other records of the Head 302 – Co – Operative Employees Commission 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 of the Commission on 03 June 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 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and Accounting Officer are 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, 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 Co-operative Employees Commission amounted to Rs. 15.24 million and out of that, Rs. 14.26 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Commission amounted to Rs. 0.98 million or 6.43 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	14.10	13.27	0.83	5.89
Capital	1.14	0.99	0.15	13.16
Total	15.24	14.26	0.98	6.43

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 Commission under Item No.30201 and the actual amounts are given below.

<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
1.59	0.35	0.39	0.57	5.00	1.73

2.3 Imprest Account

The balance of the Imprest Account of the Commission as at 31 December 2015 amounted to Rs. 12,878.

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Co-operative Employees Commission 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 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 Appropriation Account

3.1.1 Budgetary Variance

Excess provisions had been made for 05 Objects and as such the savings after the utilization of provisions ranged between 40 per cent to 58 per cent of the net provisions relating to the respective Objects.

3.4 Performance

The observation on the progress of the Commission according to the Annual Action Plan for the year 2015 is given below.

Even though the proposed main activity for the year 2006 is to introduce a new pension Scheme for the Co-Operative Employees, it was failed to implement that activity even by 31 July 2016.

3.5 Unresolved Audit Paragraphs

The follow-up action on the audit paragraphs relating to the Commission included in the Reports of the Auditor General had not been finalized.

Reference to Report of the Auditor General		Subject Under Reference
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Year	Paragraph Number	
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2014	6	Non – implementation of Pension Scheme Failure to fill vacancies of employees and failure to appoint permanent officer for the post of Secretary.
2014	6	

3.2 Human Resources Management

Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	03	01	02
(ii) Tertiary Level	14	09	05
(iii) Secondary Level	06	04	02
Total	23	14	09

The following observation is made.

A Senior Assistant Secretary of the line Ministry had been appointed as acting basis for the Post of Secretary of the Commission from the year 2013 while a permanent Secretary had not been appointed for that post since the year 2008 even up to the year under review.